

MINUTES OF THE MEETING
OF THE MAJESTIC CONDOMINIUM ASSOCIATION
HELD January 30, 2007

Pursuant to written notice to each of the members of the Majestic Condominium Association (the "Association"), of the Board of Directors (the "Board") of Majestic Condominium Association, (the "Corporation"), a District of Columbia corporation, was held at Washington, DC, on January 30, 2007, at 7:30 PM.

The following persons presided over the meeting:

- Ken Davidson
- Anand Trivedi
- Michael O'Neill
- Brian Wrenn

being all of the members of the Board of Directors.

The following persons were also present for a portion of the meeting:

- Thierry Liverman
- Sergio Herrera

being representatives of Chatel Real Estate Corporation.

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. Welcome, Introductions and Greetings

After a brief welcome statement, the members of the Association introduced themselves.

II. Establish Quorum

Based on the sign in sheet, forty percent (40%) of the votes total was present at the meeting, thus establishing quorum for the meeting.

III. Report from the Treasurer

A report from the Treasurer was provided by the Treasurer O'Neill. [See attached.] Highlights were

- The balance sheet which indicates our year end 2006 total cash on hand is \$53,684.18.
- 6 units are still in some form of delinquency
- A draft of the budget for 2007 is available upon request. Note that it is a draft and is still pending approval by the Board.
- Top five lists including biggest cost items for 2006 both expected and unexpected, target areas for savings, "on hold" projects, and "most wanted" amenities.
- And finally priorities for the year 2007

Also to note, the Bylaws of the Corporation state that the Board is empowered to levy fines for violations of Association Rules and Regulations. The number one violation has been improper use of common space. The board will be working to institute a system of fines that will be published to the community.

IV. State of the Building

Several key building events and building improvements of the year 2006 were discussed. These were:

- Floor refinishing on the first floor. The floor on the first floor had entered a state of disrepair over the first two years of the buildings occupancy. The floors were resurfaced and have held up well.
- Roof repair. The roof was discovered to have also fallen into a state of disrepair mainly due to improper installation of flashing over the gutters. This was an unexpected cost for the budget year 2006. A question was raised as to why the work was done on a Saturday and were we charged extra for overtime. The answer came from Herarra. The work did not cost us extra. The contractor tends to work odd hours.

- The Verona. Several issues came up due to the construction of the Verona to the building's west. Most of these have been resolved including fence work, walkway lighting, and cracks in the sidewalk. A crack in the building's west wall was determined by structural engineers to be superficial. Also a bush was planted in front of a potentially dangerous drop off. A question was raised as to whether the bush was enough to block the dropoff.
- Elevator Operation – Elevator is manufactured by ThyssenKrupp. Due to proprietary software, the elevator can only be serviced by ThyssenKrupp. To that end, the Board has entered the Corporation into a “Gold” contract with ThyssenKrupp which provides for unlimited service calls during business hours. Unfortunately, the elevator continues to have problems. The engineers are good at coming out to fix the immediate problem, but a long term solution has yet to be found.
- Elevator Room Sound Reduction. The Board has received a quote from a contractor to come in and provide soundproofing for the elevator room. However, it has, through diligence of some of the members, been determined that the quote was incomplete and did not meet the needs of the building. Ideas for locating leads to properly alleviate the problem are welcome. ***[Secretary's note: I just thought of this: Why not look into contact folks that put together sound studios.]*** Along the lines of sound and vibration dampening, it was suggested that the electrical conduit providing power to the elevator room also be move so that it is not up against the ceiling which affects the above floors of units 107 and 108.
- HVAC Service. McCarthy Heating has come out several times to look into several issues involving noisy ducts and fans. The noise affects many on the fourth floor. McCarthy was able to determine that some (not all) of the noise was due to faulty motors on some of the fans on the roof. These were replaced, but the noise persisted. The contractor finally speculated that the noise is perhaps coming directly from the ductwork, which they do not service. The Board is now searching for contractors to work on the ductwork. The Board would welcome recommendations from the membership.
- Flooding in Unit B01. A flood of unknown source was discovered in unit B01 over the holidays. At the time no cause could be found. The total cost of repair was set to be around \$12,000. Should the Corporation use the buildings insurance, there would be a \$5,000 deductible. The Board is trying to determine if such a claim would drastically affect the premium for the coverage and if so will

determine whether to use funds from the reserve to pay for the repairs out-right.

V. Improvements and Amenities for 2007

Two things that are high on the wish list of members of the community are storage space and a roof deck. Several options are being considered on how to approach this, including, but not limited to, potential one time special assessments to cover costs of building these items. Note, that some of the options being considered would require amendment of the Bylaws of the Corporation, which requires approval by the membership as well as potentially mortgagees.

VI. Reminders

Please remember that there is a \$200 fee/deposit for ALL move ins and move outs. The fee covers a \$75 charge for normal wear and tear damage that occurs with the move. The rest, \$125, is a deposit which will, either partially or wholly, returned upon inspection by either the Board or representative of the Board. This fee applies to both owners AND tenants. It is the owner's responsibilities to make sure that the fees are paid and that either the Board or the management company is informed so that the elevator pads can be put up prior to the move. Also, please remember that when conducting moves, please be gracious to your neighbors and move only during a reasonable hour.

On the note of the tenants, it is mandatory that a copy of the lease agreement be given to the Board or management company. Failure to do so will result in assessment of fines.

Please make sure that current contact information is on file with the Board and/or management company. Incidents such as floods and alarm soundings need to be resolved quickly and contact with the owner would expedite the matter.

On the note of emergencies, if you are unaware, the keys for each unit are stored in a lockbox at the office of Chatel. These are secure and only used in an emergency. Since the policy has been in place (over two years now,) there has been only one need and that came over the holidays 2006. If you have replaced, or are aware that they have been replaced since early 2005, please let one of the Board members know so that we can have current copies.

VII. Management

At this time the representatives from Chatel were excused. Liverman

made a brief statement regarding Chatel's vision for the building.

Davidson and Wrenn delivered the history of building's struggles with management companies. In the latest incarnation, Chatel was hired to be the Association's management company starting March 2006. Throughout the relationship with Chatel the Board has been very frustrated with progress on many fronts. It had been determined that Chatel was not meeting expectations of the Board. However, the blame for such may not solely be on Chatel. It was the responsibility of the Board to express fully our expectations and desires. However, through the learning process that a young (not the age of the members but the age of the unit) Board goes through, the Board did not have the hindsight that the Board does now. To that end, in late 2006 the Board voted 3-1 [See *Board Minutes for December 6th, 2006*], to not continue the contract with Chatel in its current form.

The Board then wanted to bring the discussion of what we want to the Association and solicit feedback from the membership.

One of the things we expected was more hands on care from Chatel which we did not get. It has, however, been determined that, for the price structure we're paying, the level of service is on par for most management companies in the DC area.

Various ideas were bounced around including adding a residential manager to supplement a watered down property management company. Wrenn addressed the point that it is illegal to operate without a properly license property management agent in the District of Columbia. It was pointed out also, that adding a residential manager would potentially increase monthly assessments.

A question was raised that should we truly go to another management company would service improve as it was pointed out that the level of service was already on par with management companies in DC.

Glenn Bly has submitted a proposal to the Board to act as the resident manager. Bly has a proven desire for the maintenance and upkeep of the Majestic which shows in his work as the landscaper to which he works at cost.

Unfortunately, the Board did not have the proper documentation to facilitate a true comparison. The Board will work to provide such documentation, including a copy of the current contract with Chatel, realistic expectations and possibly where Chatel came short, and a list of items that the Board believes a management company should provide.

Also, several members of the Association expressed specific concerns about a residential manager. Some of these concerns include board member cohabitation, would want multiple proposals, would want a trial period, and no fee

increases.

A question was raised regarding the ability to continue or reestablish our relationship with Chatel. Chatel would consider it under certain circumstances.

VIII. Election of Board Members

In 2006, four members of the Board were elected. The outgoing Board of Directors had misinterpreted the Bylaws to state that the terms of the elected members were to be staggered at that election. To that end, and to what had been stated at the 2006 annual meeting, the current members of the board are serving three, two, and one year terms.

It has been determined that since this is the context that the elections were held under, the misinterpretation would stand and the term lengths shall be as determined in that meeting.

To that end, O'Neill, whose term was at its end in 2007, would run for re-election to the Board of Directors. Also to that end, the correct interpretation of the Bylaws was used to hold the elections for the 2007 Board of Directors.

Also, in 2006, Kelby Johnson, member of the Board since 2004, resigned. Johnson had sold his unit and was no longer a member of the Association and could therefore no longer be a member of the Board.

Going forward, Trivedi has also resigned from the Board of Directors as he is no longer a resident of the building. However, Trivedi still remains a member of the Association as he is still an owner in the building.

With three open positions, nominations were solicited. O'Neill nominated himself for re-election. O'Neill also nominated Diane Brown after reading a statement from Brown. Trivedi also nominated Flagg Youngblood. There being no further nominations and no difference in length of term for those elected, no election took place as all were de facto elected to fill the three vacant slots.

IX. Adjournment

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

Anand Trivedi, Secretary of the Corporation