

**Majestic Condominium Association
Annual Meeting Minutes
January 13, 2008**

Meeting called to order at 7:35 p.m.

Board Members in attendance:

Flagg Youngblood, President
Brian Wrenn, Vice President
Joe Carroll, Treasurer
Tony Hawkins, Member-at-Large
Diane Brown, Member-at-Large
Katy Molen, Secretary

Establishment of Quorum:

There were nineteen attendees, representing 49.25% of the Association, establishing a quorum.

President's Review of 2008

Flagg Youngblood introduced the current board members; explained that Katarina Semmes is our new Chatel manager; and recognized Wendy Patten and Therese Simon for their volunteer work.

Flagg also explained the revised Fannie Mae/Freddie Mac guidelines for condominium lending. Namely that no more than 15% of the Association dues can be delinquent and that the condo association must budget at least 10% of annual revenues for the Association's reserve. Accordingly, Flagg emphasized the importance that all owners pay their condo dues in a timely fashion.

Flagg then reviewed the Board's actions for 2008:

- The roof was repaired in accordance with the recommendations of the transition study;
- The front door lock was replaced with a studier one with a 7-year warranty;
- Landscaping for curb appeal; Association will be using the same company in 2009;
- Clean-up Day—removal of junk from our bike room.

Flagg then ended by introducing Wendy Patten and Therese Simon who both presented their findings with respect to storage possibilities for the bike room.

Wendy and Therese explained the difficulties they had finding contractors willing to work on such a small project. However, they did receive a quote from George, S.& S. Contractors, for \$17,680. They are also expecting a second quote from another contractor. Based on the bike room's configuration, not all units would have storage. Accordingly Board would have to consider renting out space to interested units.

Upkeep Committee Review:

Tony Hawkins presented the upkeep priorities for the building for 2009 and beyond. Tony explained that these priorities are based on the information provided by the transition study.

Tony also addressed owners' concerns with cosmetic upkeep of the building, such as painting of hallways and stairwells. Tony noted that the Board's priority is to address the areas highlighted in the transition study, specifically:

- Water penetration of the building's foundation;
- Grading and drainage for water run-off;
- Spalling of the concrete sidewalks;
- Fire seals and locks on stairwell doors;
- Structural maintenance, rust removal, and painting of all iron fencing;
- The elevator power supply conduit in the bike room.

Tony and Flagg both emphasized the transition study found our building was very solid; the builder used high-end materials. However, there are minor issues with the items listed above that will eventually need to be addressed in 2009 and beyond.

Finances

Joe Carroll informed the association that the taxes for 2007 were filed and the 2008 taxes will be filed. He also stated that the 2007 audit was completed; a copy will be provided by the end of January 2009. The 2008 audit is scheduled to take place in Summer 2009.

Joe then presented the 2009 Budget. He explained that the condo fee increases reflected a 4.9% increase which takes into account CPI guidance as of August 2008. This increase is necessary to account for increases in utilities expenses and for expected increases across several other operating expense categories. This increase also takes into account the delinquencies of five units: unit B-1 (\$10,166.34), unit 105 (\$1,703.28), unit 203 (\$1,350.20), unit 308 (approximately \$700), and unit 401 (\$6,654.08).

Joe provided the balance for the reserve which is expected to be \$65,000 by the end of January. Joe explained that the 2009 Budget allocates 15% of the budget towards the reserve. Thus, the 2009 Budget follows the new federal lending guidelines.

Legal

Brian Wrenn provided an overview of the legal actions the Board undertook in 2008. First, Brian explained that the Board placed liens on all units delinquent by more than 60 days. Accordingly, liens were placed on units 105, 203 and 401. If unit 308 does not pay by the end of January 2009, a lien will be placed on unit 308.

Brian informed the Association that Unit 401 is in foreclosure. The bank will be putting up the unit for auction at some point in the near future. The Association may not recoup dues owed on unit 401, as the Association is not a secured creditor, though the firm responsible for conducting the sale is aware of our lien.

Brian also informed the Association that the Board has initiated foreclosure proceedings on unit B-1. Unit B-1 has not paid its condo fees since the current owner took possession of the unit in 2006. A lien has been placed on the Unit, but no payments have been received. In 2008, the Board took unit B-1 to Small Claims Court and won a judgment against the unit owner, with no

payment received to date. Accordingly, the Association must use its last recourse—foreclose. The Association may not recoup the amount owed, namely \$10,166.34 plus collection and legal expenses, but the Board's objective is to have a new, dues-paying homeowner take possession in order to, at a minimum, cut the Association's losses.

Brian then explained that the Board initiated a lawsuit against Tolson, the building's developer, for breach of warranty with the hope of recouping approximately \$900,000 for the work that is highlighted in the transition study. Brian explained that the Association will most likely not recoup this amount from Tolson, but making the items highlighted in the transition study a matter of public record will help protect the Association in the case that any future claims arise.

Brian concluded by explaining that the Board successfully negotiated lower insurance rates for our building, a \$5,000 reduction.

Website

Brian Wrenn provided the Association's website. All of the Board's meeting minutes are available on the website for review. Brian noted that he plans on posting additional information, such as what are the current real estate trends for the Columbia Heights area.

Board Member Elections

Flagg proposed the Association maintain current Board composition for Association continuity, which, in accordance with Association bylaws, required the election of Joe Carroll and Tony Hawkins, who both were appointed to the Board in 2008, and the re-election of Brian Wrenn, whose first 3-year term as a Board member was completed at the end of 2008. Flagg opened the floor for any other candidate nominations and, seeing none, requested Association members to second the proposal. Receiving multiple seconds, Flagg called a voice vote for the proposed candidate slate, which received all AYEs, no NAYs and no noticeable abstentions.

Adjournment:

Flagg offered closing remarks to summarize the points made above. Flagg thanked Board members and volunteers who help the Association with their time and talents. Flagg opened the floor to questions, while Brian Wrenn distributed a voluntary survey to get feedback from the Association.

The meeting adjourned at 9:00 p.m.