

Majestic Condominium Homeowners' Association
Annual Meeting
Minutes of the Meeting
January 28, 2010

Call to Order

The meeting reached the unit owner quorum at 8:05 p.m., and the board called to order the meeting.

Opening Remarks

President Flagg Youngblood gave opening remarks summarizing events related to the association in 2009. He presented a per-unit costs breakdown of association expenditures for the purpose of communicating how the board spends the association's funds.

The Majestic Condominium - 2010 Budget Breakdown Monthly Expenses (Summarized)

<u>Item:</u>	<u>Annual Amount</u>	<u>Monthly Amount</u>	<u>Monthly Unit Amount</u>	<u>Details</u>
Management Fee	\$21,420.00	\$1,785.00	\$53.55	Chatel's Fees
Legal Services	\$9,000.00	\$750.00	\$22.50	WASA, Tolson, Collections, etc.
Unpaid Assessments	\$3,660.00	\$305.00	\$9.15	Provision for Unpaid Assessments
Accounting/Audit	\$2,100.00	\$175.00	\$5.25	Annual Tax Return and Audit
Telephone	\$1,200.00	\$100.00	\$3.00	Video Entry System
Other Administrative	\$800.00	\$66.67	\$2.00	Various Small Items
Total Administrative Expenses	\$38,180.00	\$3,181.67	\$95.45	
Utilities				
Water/Sewer	\$24,000.00	\$2,000.00	\$60.00	WASA
Electricity	\$12,900.00	\$1,075.00	\$32.25	Pepco
Gas	\$2,400.00	\$200.00	\$6.00	Washington Gas
Total Utilities	\$39,300.00	\$3,275.00	\$98.25	
Contracted Services				
Trash Removal	\$10,500.00	\$875.00	\$26.25	Waste Management
Janitorial	\$8,400.00	\$700.00	\$21.00	Suite Services
Landscaping & Snow Removal	\$6,000.00	\$500.00	\$15.00	Hughes Landscaping
Miscellaneous - Common Areas	\$1,500.00	\$125.00	\$3.75	Light Bulbs, Supplies, etc.
Total Contracted Services	\$26,400.00	\$2,200.00	\$66.00	
Facility Repairs/Maintenance	\$11,400.00	\$950.00	\$28.50	Elevators, Locks, Electrical, Fences, etc.
Insurance	\$16,820.00	\$1,401.67	\$42.05	Manougian Insurance
Additions to Capital Reserve	\$14,300.00	\$1,191.67	\$35.75	Capital Reserve Fund
Total Expenses	<u>\$146,400.00</u>	<u>\$12,200.00</u>	<u>\$366.00</u>	

Financial Report

Member at Large and Treasurer Joe Carroll presented the budget for 2010. He highlighted how the board had allocated a significant amount of funds for legal expenditures in the 2009 budget, but the association's costs had still exceeded those due to delinquency collections, the warranty claim, and an unanticipated dispute with WASA. He stated the association has hopes of spending far less on legal expenditures for 2010 than it did in 2009.

Legal Report

Vice President Brian Wrenn gave a report on legal matters affecting the association in 2009 as well as the projected legal issues for 2010.

The association won a default judgement in its warranty claim suit against the building's developer, David Tolson, in late 2008; however, Tolson hired counsel to get the default judgement vacated and succeeded. Tolson filed a countersuit against the association and against individual board members by name. A judge dismissed that suit upon a request filed by the association's legal council. Currently, the warranty claim suit against Tolson stands in discovery, which comes to an end in May of 2010.

Two units underwent foreclosure, #401 and #B2, and now have owners in financially good standing with the association. The association still has a judgement against #B2 former owner and has not relinquished efforts to collect upon that judgement.

WASA Dispute

Member at Large Kerri Stelcen reported on the ongoing dispute with WASA. The association received notice in early 2009 that it owed an additional approximate amount of \$21,000 in back pay for water usage never billed. The transmitter on the building's meter stopped functioning in 2005, and during months following, WASA billed the association at an estimated rate. WASA claims that the estimated rate for the time period the meter wasn't functioning, nearly two years in total, as too low, and demanded payment for this roughly \$21,000 shortfall. However, WASA produced no documentation supporting this claim. The association filed for an arbitration process available to WASA customers. President Flagg Youngblood and association council Molly Peacock attended that arbitration hearing, but the association lost. In reaction, board members have begun to reach out to the local ANC commissioner and Ward One representation on the Washington, DC council to help in making WASA provide documentation for these charges. WASA has offered a payment installment plan for the total amount owed that will result in no interest on the charges. The board would like to convene a committee of owners to take action in working with local representatives to get documented justification for these billing amounts.

Elections

Flagg Youngblood won a second term to the board.

Kerri Stelcen won her first term to the board after serving from board appointment earlier in 2009.

Adjournment

The board adjourned the meeting at 9:35 p.m.

meeting minutes submitted by Brian Wrenn