

Majestic Condominium Owners Association

Minutes for Annual Meeting & 2013 Board Organization Meeting

February 18, 2013

The meeting was called to order at 8:06PM by Patrick Pearsall, Association Vice President. A quorum was established, 32.25% present in person or by proxy (25% required).

Review of 2012. Flagg Youngblood, Association Treasurer, reported the Association's financial health as strong, with no outstanding owner delinquencies and 2012 closing on track with the annual budget, which included the following completed work: installation of a continuous-circulation fluid pump on the elevator to reduce cold-start noise/strain and re-hanging of the elevator's power conduit with vibration dampening brackets to reduce noise. Flagg also described the open insurance claim the Labor Day weekend storm that caused water damage to common elements and some individual unit owners in the lower level.

2013 Budget. Flagg presented the 2013 budget, which the Association's Board previously adopted unanimously. The annual budget is \$159,995 and includes a 2% increase in condominium and parking assessments. The Association ended the year with a Reserve balance of \$179,290, and concurrent with adopting the annual budget, the Board reviewed and revised the Association's reserve schedule to update replacement costs based upon more recent estimates than those provided by the study commissioned by the Board in 2007 (concrete retaining walls, wall sealants, etc.) and to include additional common elements, such as the elevator, interior/exterior painting and the entry surveillance system, which were not contemplated in the original study.

Planned Repairs/Improvements. In looking to prevent future storms from causing water damage as occurred over the Labor Day weekend, the Board has retained the services of ETC Engineering to assess the property's stormwater run-off system and potentially re-design the system/oversee the system's reconstruction. Among the options being considered, all of which would require a special assessment, as these funds are not contemplated in the 2013 annual budget or substantially related to items that can be replaced via funding from the Association's reserve:

Option 1: build an underground water storage system on the east and west sides of the property, to contain a "100-year" storm event, estimated to cost \$200,000 - \$250,000 and require extensive site demolition and construction for 8-12 months.

Option 2: build a scaled-down version of the first option, to contain a "10-year" storm event, with an estimated cost of \$50,000 - \$60,000 and site work for 4-6 months.

Option 3: create a special "set-aside" to pay a future insurance deductible should another similar event occur again, which would require an additional \$25,000.

The Board sought feedback from the Association, and a motion was made and approved unanimously by the meeting's quorum to authorize the Board to pursue Option 2, pending the scheduling of a special Association meeting to present the final plans/costs and the special assessment that would be required.

Since the work outlined above would affect various existing hardscape features on the property, such as the gates/fences and east concrete sidewalks, both of which need to be repaired/replaced, the Board

has made provisions to address them this year. Additionally, the Board has plans to address the following:

Re-pointing the building's brick to address existing/expanding cracks, mostly located on the building's upper floors, along with replacing damaged pavers in building's front entry walk and spalled bricks in the front retaining wall;

Replacing the building's exterior current incandescent security lighting with motion-activated LED spotlights (lower operating/maintenance costs going forward);

Removing the locks on the building's interior stairwells once the fences/gates outside are repaired/replaced.

Bike Room. Stickers are being distributed to residents for active storage of bicycles in the bike room, per the Board memorandum circulated to owners and residents. All untagged bikes and all other non-cycle items will be removed after April 1, 2013.

Elections. Kerri Stelcen has resigned from the Board effective at the annual meeting, with the conclusion of her 3-year term. Mike Cloppert (B3) and Eileen Sullivan (101) were nominated and elected unanimously by the meeting's quorum. Brian Wrenn will likely be resigning from the Board within the first six months of the year.

Meeting was adjourned – 9:53PM
Minutes submitted by
Tony D. Hawkins, Majestic Board Secretary

Based on the new Board members meeting immediately after the Annual Meeting, the new Officers of the Association are:

Flagg Youngblood, President
Patrick Pearsall, Vice President
Eileen Sullivan, Treasurer*
Tony Hawkins, Secretary
Mike Cloppert, At-Large Member
Brian Wrenn, At-Large Member

*non-voting until Brian's pending resignation