

**Minutes
Colonial Village III
Annual Meeting
18 October 2001**

Call to order:

With a quorum of unit owners voting by proxy and in person of 26.898%, the meeting was called to order at 7:05 p.m. Present at that time were Michael Bodden, President, Dennis Gerrity, Secretary, and, Stanton Stafford, Member-at-Large. Also present were unit owners Luke Bellocchi, Mahmoud Ghannam, Christian Hamaker, Paul Killoran, Gordon Meuse, Catherine Sharp and Violeta Tolosa, Maintenance Engineer Stan Kiman, and Association Manager George Hedrick

Proof of Notice of Meeting: All unit owners in attendance acknowledged the timely receipt of notice of this meeting.

Reading and Approval of Minutes: Minutes of the 19 October 2000 Annual Meeting were approved without change.

Unit Owners Forum:

Mahmoud Ghannam had the following to say those attending this meeting:

- He complimented the Board for making difficult decisions with respect to improving CVIII's storm drainage system and increasing contributions to reserve funds by amounts sufficient to pay for \$850,000 of renovation work on CVIII's exterior brick and masonry walls over the next fifteen years.
- He suggested that it would be easier for unit owners to consider a proposed budget if they had information comparing CVIII's expenditures on various items in the budget with those of the other sections of Colonial Village or other similar condominiums. Mr. Hedrick said that he could probably get CVI, CVII and the Commons to provide such information to CVIII's Board but he did not think that they would agree to share this information with all of CVIII's unit owners. Mr. Hedrick noted that differences among CVI, CVII, CVII and the Commons were substantial enough that comparisons of specifics in their budgets might lead to confusion rather than better understanding.

Catherine Sharp queried the Board in two subjects:

- She told the Board that her reading of a letter from Mr. Hedrick that accompanied the proposed budget for 2002 left her with the impression that unit owners' assessments would increase by 11.43% a year for the next fifteen years, which would more than quintuple assessments according to her calculations. The Board explained that assessments for 2002 would increase by 11.43%, but increases for 2003 and subsequent years would be on the order of CVIII's historical average of 3% to 4%.
- She asked the Board to consider an amendment to CVIII's by-laws that would place a cap of 11% on future increases in assessments and would require the Board to get the approval of majority of unit owners if it wanted to exceed this cap. Mr. Hedrick explained that Virginia state law required that the Board get the approval of a majority of ownership interest for any increase in annual assessments that exceeded 15%.

Paul Killoran raised the following issues with the Board:

- He asked for an explanation of the account titled “IUSP.” Mr. Hedrick explained that “IUSP” referred to CVIII’s in-unit service program and provided an accounting of income generated by repairs to units made by CVIII’s maintenance engineer.
- He asked for an explanation of the account titled “Move In Fees.” Mr. Hedrick explained that the Board approved a \$100 charge applicable every time a unit changed residents to recoup some of the cost of repairing damage moving caused to common areas such as hallways and entry doors.
- He asked why CVIII was budgeting \$2,075 for telephone service for 2002. Mr. Hedrick said this amount was normal when compared with expenditures over the past five years.
- He questioned spending \$1500 a year to clean common hallway carpets, saying that he didn’t see much difference in the appearance of these carpets before and after their cleaning and any further cleaning was wasteful given the Board’s plans to replace these carpets in 2002. Several members of the Board took issue with Mr. Killoran’s assertion, arguing that cleaning these carpets improved not only their appearance but also the smell of common hallways. Further, for the sake of keeping assessments down, they said that the Board wanted to get a couple years of additional wear out these carpets and, therefore, would continue to have these carpets cleaned.
- He pointed out to the Board that several of the lamps that provided nighttime illumination of Queens Ln. were on twenty-four hours a day. He said this was a waste of unit owners’ money. Mr. Kiman explained that these lamps were turned on and off by sensors that measured light. If these sensors were located on the shady side of a building or under the shadow cast by a large tree or both, and this was the case for the lamps that Mr. Killoran was discussing, then they might be “fooled” into sensing in the middle of the day that it was dark enough to turn on these lamps. Mr. Kiman said that he would try to adjust the location of sensors so that the lamps in question would operate correctly.
- He asked the Board to clarify the following statement in its cover letter that accompanied the study of CVIII’s reserve accounts that it commissioned: “These increases in assessments (to cover the cost of renovating brick and masonry exterior walls) are in addition to normal yearly increases in assessments to make up for inflation.” The Board admitted to a poor choice of words here. The budget-making process was not a matter of arbitrarily increasing budgeted expenditures by estimates of the rate of inflation, but, rather, each individual account was reviewed with the goal of getting CVIII the lowest price consistent with desired quantity and quality. Historically, these increases in CVIII’s annual budget have approximated the rate of inflation, and this is what the Board should have said in this letter rather than “normal yearly increases in assessments to make up for inflation.”

Reports of Officers:

None.

Management:

Mr. Kiman and Mr. Hedrick decided not to speak in order to keep the meeting short.

Committee Reports:

None:

Election of Members of the Board of Directors:

Mr. Hedrick explained the requirements of the CVIII By-Laws with respect to the election of members of the Board of Directors. Mr. Hedrick explained that there were two vacancies this

year, both due to the normal expiration of three years terms. **Inspectors of Election:** Unit owners Mahmoud Ghannam and Gordon Meuse were appointed inspectors of the election of members of CVIII's Board of Directors. **Candidates for Election to Board of Directors:** The names of Dennis Gerrity, a member of the current Board, and Christian Hamaker appeared as candidates on the proxy statement distributed prior to this meeting. Mr. Hedrick asked if anyone else present was interested in standing for election to the Board, and if so, to please step forward. Stanton Stafford did. Mr. Gerrity, Mr. Hamaker and Mr. Stafford briefly introduced themselves as candidates to those attending this meeting. **Election Results:** Given the required quorum, Mr. Gerrity and Mr. Hamaker each received more of the common interest voted by proxy and in person at this meeting than Mr. Stafford. Further, Mr. Gerrity and Mr. Hamaker each received more than 50% of the common interest voted by proxy and in person at this meeting. Therefore, Mr. Gerrity and Mr. Hamaker were elected to the Board of Directors for three-year terms.

2002 Budget:

After discussion, the Board decided to amend the proposed budget by reducing account #46405, Interest Income from Investments, by \$4000 to \$9,350 because of continued declines in interest rates, reducing account #52150, Natural Gas, by \$3200 to \$18,300 because of the reported decline in natural gas prices to a three-year low, and reducing account #60150, Income Tax, by \$800 to \$4,200 because of the reduction in expected interest income on investments. A motion to approve the proposed 2002 budget as amended was made, seconded and approved unanimously.

Election of Officers:

The newly constituted Board decided to delay the election of officers until Mr. Palmore and Mr. Weiss were present

Executive Session:

None.

The date and location of CVIII's 2002 Annual Meeting will be announced in September 2002.

The meeting adjourned at 8:10 p.m.