

**ROUND HILLS ESTATES NORTH PROPERTY OWNERS ASSOCIATION  
ANNUAL MEETING OF THE MEMBERS  
OCTOBER 24, 2006**

**DRAFT MINUTES**

**CALL TO ORDER:** The meeting was called to order at 7:00 p.m. at the Round Hill Country Club by Board President Steve Lange.

**PROOF OF NOTICE & QUORUM:** Lisa Bockus of Common Interest Management Services provided proof of Notice and Quorum for the meeting.

**INTRODUCTION OF DIRECTORS AND MANAGING AGENT:** Board members present were Steve Lange, Mazi Ghorbani, Dale Welch and Valerie Schooley. Lisa Bockus, Association Manager was introduced from Common Interest Management Services. Joe Bonn, Glenda Sonu, and Jim Falk were absent.

**APPROVAL OF MINUTES:** Upon a motion and second duly made, the Membership adopted the minutes from the last annual meeting on October 25, 2005.

**REPORTS:**

**PRESIDENT'S REPORT – STEVE LANGE:**

**Significant Events**

- Completed re-landscaping of roundabout.
- New reserve study conducted and approved.
- Walk through inspection of rear yard erosion concerns w/homeowner notification.
- Continued homeowner communications efforts – Newsletters and website.

**Issues Going Forward**

- Continued concentration on property values.
- Erosion – Sewer bench and rear yards.
- Landscaping of entryway area – design and bidding this fiscal year.
- Completion of lots 28 and 29 landscaping slopes.
- Homeowner maintenance of their landscape and house.
- New directory.
- Activities Committee.

**TREASURER'S REPORT – JOE BONN: SIGNIFICANT FINANCIAL EVENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006:**

- Dues for each lot owner increased to \$320/qtr this past year from \$310/qtr the prior fiscal year.
- Operating funds increased from \$226k the prior year to \$254k as of June 30, 2006. \$101k of these funds have been invested in short term cds.
- Expenses, excluding a special adjustment, declined from \$146k to \$139k this past year. An audit was made of the lot deposit and Architectural Review Committee expense account which lead to a non-cash write-off of \$12,600 to bring the account current.
- The replacement fund, after completion of the expenditures for the roundabout, has increased from \$250k the prior year to \$282k as of June 30, 2006. The fund, together with future requirements as forecast with John H. Beatty & associates, will be sufficient to cover required spending.
- Member's equity has increased from \$355k to \$402k this past fiscal year.
- 2006/2007 budget- dues will remain at \$320/ qtr for each lot owner
- The association will continue the program for improvements to the common areas via the beautification budget of \$35k for this next year.
- Reserve funding is forecast to drop to \$49,700 from \$55,100 the prior year
- Total operating expenses are forecast to increase from \$139k to \$158k, with the major increases being legal expenses of \$8k, weed abatement \$8k, and utilities \$3k, offset in part by lower maintenance costs.

- The budget includes \$12k for erosion control as the association starts to deal with some of the slide and runoff area on the common area lots.
- Preliminary work will be done on the next phase of the common area beautification program.

## **COMMITTEE REPORTS:**

### **Property Value Improvement Committee (PVI) – Steve Lange:**

- Established in 2003 w/7 members, investigating ideas, establishing priorities and focusing on what the association could do to improve the neighborhood.
- Finished work on roundabout, had contractor install missing plantings from the original plan.
- Gathered ideas for 2nd project, which is the entryway.
- Began evaluation of street signage.

### **PVI Committee's Investigations:**

- Conducted realtor and new homeowner interviews to discuss RHEN perception and reaction to possible improvements including:
  - Landscape common parcels A, B, C and entryway
  - Remove "No Parking" signs
  - Replace signage in country club w/granite signs
  - Face retaining walls on Biltmore with stone
  - Plant oaks in common areas
  - Construct a walkway up Biltmore Dr.
  - Develop RHEN promotional brochure

### **Welcoming Committee – Valerie Schooley:**

- Valerie reported that there were 9 homes sold this year, there were 12 homes sold last year

## **ELECTION RESULTS:**

President Lange advised the homeowners present that the Board had been elected by acclamation, wherein there were seven members interested in the seven seats. Steve was pleased to announce that the following individuals have been declared elected to the Board: Steve Lange (Incumbent), Mazi Ghorbani (Incumbent), Joe Bonn (Incumbent), Dale Welch (Incumbent), Valerie Schooley (Incumbent), Habib Amin and Margaret Palma.

## **RESOLUTION REGARDING EXCESS INCOME:**

President Lange explained the basis for the following resolution, as proposed: "The following resolution has been recommended by the Association's CPA in order to comply with IRS Revenue Ruling 70-604 and prevent federal taxation of Association funds. Any excess income would be deposited in the Reserve Account. RESOLVED: That any excess of membership income over membership expenses for the fiscal year ending 6/30/06 be applied against the subsequent tax year member assessments for common area replacement, as provided by IRS Revenue Ruling 70-604." The Resolution passed by an overwhelming majority.

## **OPEN FORUM:**

Concerns were discussed in regard to 180 Tracy Lane's request for an easement/use of common area land for a driveway turn-around addition to his lot. The Board advised the homeowners that there has been no action taken to grant an easement to the Kavishi's; however, the Board has obtained a legal opinion on the matter from the Associations' attorney. The Board explained that prior to considering approving any land swap or grant of easement, 30 days notice and an opportunity to comment must be given to the membership. The Board further informed the membership that the homeowner would be solely responsible for all costs associated with the

Agreement, the insurance and indemnification, recordation costs, legal fees for drafting the Agreement(s).

Valerie Schooley reported that the Round Hill Board of Directors is considering adding a landscaped median in place of the existing concrete median on Stone Valley Road as you enter the community. Valerie was asked to see if the Board/Association would be willing to contribute \$1,000.00 towards the median improvement. She explained that the improvements would be maintained by the County. Valerie asked the membership for a show of hands on who would be in favor of having RHEN contribute the funds; by an overwhelming majority, all homeowners present were not in favor.

Inasmuch as there was no further business to come before the Members and upon a motion and second duly made, the meeting adjourned at 9:35 p.m.

Respectfully Submitted,  
Lisa Bockus, Recording Secretary, For Glenda Sonu, Association Secretary