

**MINUTES OF THE
WESTERLEY HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS REGULAR MEETING
Tuesday, February 19, 2008**

A: Call to Order

The President called the meeting to order at 7:12 p.m.

Board Members and officers present:

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|----------------------|-----------------------|
| Mr. Kevin Gilfedder | President |
| Mr. Dale Pontiff | Vice President |
| Ms. Cheryl Hammes | Director |
| Mr. Ed Barrow | Treasurer |
| Mr. Stephen Reed | Secretary |
| Ms. Courtney Heykoop | Community Coordinator |

Board Members and officers absent:

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|----------------|---------------------------------|
| Ms. Anne Welsh | Landscape Committee Chairperson |
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Staff members & Service Providers present were:

| | |
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| Mr. Mike Marcolla | Community Manager, Legum & Norman, Inc. |
| Mr. Christopher Swemba | Recording Secretary, C&C Securities, LLC |

B. Approve Minutes:

The President submitted the Minutes of the January 22, 2008 Regular Meeting of the Board of Directors for approval. It was:

**MOVED and Seconded: That the approval of the January 22, 2008 Regular Meeting of the Board of Directors, be approved as submitted.
UNANAMOUSLY APPROVED**

C. Officers Reports:

The President called for Officer Reports.

President's Report:

Mr. Gilfedder talked to Gene Gaines who has volunteered to head up Westerley's Neighborhood Watch Committee. Mr. Gaines has been in contact with the LCSO who will be assigning a new deputy to the Westerley HOA as Deputy Leydig has been re-assigned. Mr. Gaines has received verbal approval from the county to procure more Neighbor Hood Watch signage.

Mr. Gilfedder reported that Mr. Gaines is currently investigating adding additional speed limit signage and solicitation signage in the townhomes. Mr. Gaines is determining if additional signage may be added in the single family homes as they are county roads, not private roads.

Mr. Gilfedder reported that Mr. Gaines will be providing a list of issues for discussion next meeting.

Vice President's Report:

Mr. Pontiff had no report for the Board.

Treasurer's Report:

Mr. Barrow noted he had signed the Association's 2008 tax return documents. He has also approved last year's draft audit.

Mr. Barrow noted that last week the Board moved \$95,000 from the New York Life account back to the Association's money market account.

Secretary's Report:

Mr. Reed had no report for the Board.

Landscape Committee Report:

Ms. Welsh was not present to give a report. Ms. Heykoop noted that she had recently seen Palmer Landscaping beginning their initial spring clean-up around the neighborhood.

Architectural Review Board Report:

Ms. Heykoop noted that there is now a full ARB Committee. Any issues that are precedent setting or can not be decided on by the ARB Committee will be brought to the attention of the Board for final decision.

The ARB database is now online. Mr. Marcolla is now able to check the database to communicate to the status of violations to homeowners.

Ms. Heykoop explained that she is currently in the process of going through all improvements made in the townhomes and ARBs the Association has on file to determine if applications were submitted for any improvements made during the past 5 years. There are a large number of improvements that an ARB was never submitted for and/or approved.

Loudon County is still in a mandatory drought. The fines for ground cover can not yet be implemented due to the water shortage.

D: Management Report:

The President called for the Management Report by the Community Manager.

Mr. Marcolla noted he is 99% sure he will be recalled on April 4th to serve a year in Iraq. He is currently working with Legum & Norman to ensure the manager left to fulfill his duties will be well aware of all ongoing Association business and issues.

Mr. Marcolla explained that the Association's financial reports look great. The Association has \$244,000 in total assets and about \$17,000 delinquent. The Association is over budget in Administrative Expenses (primarily legal costs) and in Programs Relations (accrual issue). The Association is within 5% of budgeted income for the year and within 3% of budgeted expenses. The current surplus will decrease as the seasonal costs (landscape and pool) are incurred.

Mr. Marcolla explained that he is currently documenting the Association's meeting procedures.

Mr. Marcolla presented an agreement from Trash Away acknowledging the 5% increase in the contract price as a result of increased transportation/dumping costs.

MOVED and seconded: That the Board approve the document from Trash Away acknowledging the 5% increase in contract price.

UNANAMOUSLY APPROVED

A written complaint was received from a homeowner in regards to the number of individuals residing in a townhome. Mr. Marcolla recommended that the homeowner making the complaint file a zoning complaint with the county. He explained that the Association should not get involved as the Association could be held liable if the claims are not true.

The Association's Bank Reconciliation is included in the Board Package.

The Collection Status Report and the Investment Reports are included in the Board Package.

Mr. Marcolla presented a proposal to update the Reserve Study at a cost of \$4,900.00. It is required that a Replacement Reserve Study be completed every five years. The Association requested management to determine what was paid for the previous Reserve Study.

MOVED and seconded: That the Board approve the Replacement Reserve Study so long as the Association did not pay less than \$3,500 for the previous study.

UNANAMOUSLY APPROVED

Mr. Marcolla acknowledged that he has received the tax return documents from the Board.

Mr. Marcolla explained that there are federal and state tax refunds owed to the Association from 2005 and 2006. This income needs to be collected.

Mr. Barrow approved and signed the draft audit.

E: Unfinished Business:

The President called for Old Business on the Agenda that had not already been discussed.

No Unfinished Business

F: New Business:

The President called for New Business on the Agenda that had not already been discussed.

Ms. Heykoop noted that there is one ARB to be discussed and voted on in Executive Session and one hearing scheduled in Executive Session.

Ms. Heykoop explained that the Board is reviewing the Trash, Parking, Pool, Handicap Accessibility, and Collections Policies. The policies were submitted to legal council for review and their comments have been received. Once the Board has approved the policy resolutions, they will be mailed to all homeowners in accordance with the governing documents.

G: Homeowners Forum

The President opened the floor to homeowners to voice their questions or comments

A homeowner inquired about Centex's obligations while on bond with Loudon County. Mr. Marcolla explained that the bond is between the developer (Centex) and Loudon County and is used to ensure that the developer delivers the exact product that was disclosed in county approved plans in good condition.

Once the developer is off of bond, the common areas and improvements (land, streets, and sidewalks) will become the responsibility of either the Association or Loudon County.

H. Close of Business

There being no further business to come before the Board in Regular Meeting, it was
MOVED and seconded: That the February 19, 2008, Regular Meeting of the Board of Directors be adjourned to be immediately followed by Executive Session.
UNANAMOUSLY APPROVED

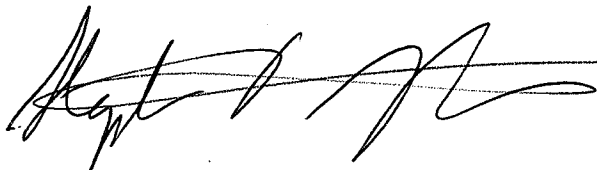
Meeting was adjourned at 8:14 p.m.

Minutes respectfully submitted by:
Michael C. Marcolla

The foregoing minutes of the February 19, 2008 regular meeting of the Board of Directors of the Westerley HOA were approved on the 17th day of March, 2008.

Attest:

Stephen Reed, Secretary

A handwritten signature in black ink, appearing to read "Stephen Reed", is written over a horizontal line. The signature is fluid and cursive, extending across the width of the line.