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NCA BOARD OF DIRECTORS' PROPOSED MEETING MINUTES

February 7, 2007

NCA Meeting Room — Pool House

Call to Order— Meeting started at 7:10 pm. President Woodrow Dick presided. Board members in attendance included Director John Nagel, Director John Nolan, and Director Chip Catherine. Director Liz Carroll arrived at 9:00 pm.

Community Forum — was announced. One resident presented her views on NCA's current parking policy. In summary, she feels that the current towing policy does little to improve our community and only leaves residents upset. She provided, in writing, her recommendations on what aspects of the policy should be changed including warnings, having police ticket, using towing company on a 'call-only' basis, and restricting only oversized commercial vehicles. President Dick thanked her for the well thought out presentation and invited her to consider applying for the open Board position.

Hearings/Appeals — Two residents wanted to appeal their charges for putting trash out early. One resident explained that the trash with her address on it was junk mail and is found on the ground on a regular basis and anyone could have put it in their trash bag. Additionally, she stated that she was not in town on the day this trash was cited for being put out early. A second resident said the piece of identifying trash was placed in a bag in her back yard and she would never put her trash out early. President Dick thanked both residents for attending.

A resident of Lot 260 attended for his hearing on an architectural violation for bare ground. He explained to the Board members that he has made attempts to grow grass, he has put sod down but he has a large tree in his front yard and the yard doesn't get any sun and squirrels are always digging up the ground. He doesn't know what else to do. President Dick stated that in the Board's written response there will be some recommendations. This resident also stated he received another architectural letter with a picture of wood trim that was not his house. An error was made and the Community Manager will take care of it.

A resident of Lot 506 attended for his hearing on a covenant violation for trash and toys left out in the front yard. The owner informed the Board that his tenants were a problem and he was limited in what he could get them to do. He has now removed them and his cousin will be moving in who will take much better care of the place. Everything has been taken care of except the lawn mower, which will be moved after the meeting.

A resident asked why the Board doesn't give warnings on trash violations. President Dick explained that it is a very unpleasant job that someone is asked to look at trash to find identifying information and that it usually takes multiple efforts to actually find one. NCA doesn't have a lot of help in this and rarely does anyone ever own up to actually having put their trash out early despite the fact that trash is placed out early every week.

Approval of Minutes — A motion to accept minutes of the January 3, 2007, Board of Directors meeting with the word "fine" being changed to "charge" and "Secretary" Nagel being changed to "Director" Nagel was made by Director Nolan and seconded by Director Catherine. Vote: 4 (yes) – 0 (no).

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General — President Dick informed everyone that Director Nagel has offered to fill the Treasurer position at least until the August meeting which is when his term expires. President Dick asked him one question before the Board voted and that was if he was going to hold the Board to the By-laws that state the Treasurer would sign all checks. Director Nagel said he recognized that we now use a financial management company for that function and wouldn't expect to sign all NCA checks. Director Catherine made a motion to accept Director Nagel's offer to fill the Treasurer position. Director Nolan seconded the motion. Vote 4 (yes) – 0 (no).

President Dick informed the Board that Secretary Roy has a commitment that would keep him from attending Board meetings on Wednesdays for the next three months. He asked if there was another day of the week that was good for the other Board members. There was discussion about putting it to the end of the month. The Community Manager reminded them of the effect on getting minutes into the newsletter. Director Catherine made a motion starting with the March meeting to have Board meetings on the second Tuesday of the month. Director Nolan seconded the motion. Vote 4 (yes) – 0 (no).

The Board discussed the current Rules for Assessment of Charges and the need to revise it so that the Board does not have to vote on probable cause for all violations. The probable cause vote is probably best only for architectural violations. The Board decided to table this topic until next month.

Common Grounds — President Dick stated that there has been no written policy for use of the ball field and it has caused problems in the past. The Board has written a policy that allows teams to reserve the fields for practices but limits how many hours they can have it each week. It covers how and when to make reservations and addresses unreserved use as well. Director Catherine made a motion to accept the new Ball field Policy. Director Nolan seconded it. Vote 4 (yes) – 0 (no). President Dick said a copy will be placed in the next newsletter.

Pool — The Community Manager reviewed for the Board her recommended changes for the 2007 Pool Rules including giving a better discount for purchasing multiple entry passes, clarifying the age limit for being allowed in the pool without an adult, removing the restriction on daycare providers and ensuring children who have not passed their swim test are not allowed in the deep end. Director Catherine made a motion to accept the changes to the pool rules. Director Nolan seconded it. Vote 4 (yes) – 0 (no).

Maintenance — ETC prepared a proposal to the Board to survey Moline and re-evaluate our street work/reserve schedule. The ETC representative had expressed some concern to the Community Manager that the Reserve Analysis company relied so heavily on the schedule included with a letter ETC had prepared last year. The schedule in that letter had some inaccuracies. The Board decided to table this discussion until the members had an opportunity to read the proposal again.

Architectural Committee — A resident presented some of his comments, spoken and in writing, on the recommended changes to the Architectural Guidelines that were included in last month's newsletter. He disagreed with item #7 on the list of changes. Additions in the single families have been allowed to build up, not just to the rear and this should remain that way. In Item 21 there is nothing wrong with gutters and downspouts matching the siding or trim color. In item 23, the comment about shrubs not covering windows would be a problem for some homes that have windows low to the ground. Additionally, the comment on grass height should differentiate between lawn grass and ornamental grass. In item 14 the definition only mentions townhouses, which is confusing. In item 16 the statement about covering the existing sliding door should only apply to the townhomes. In item 28, there are other materials besides concrete and brick that should be allowed, such as stone and the statement 'altered in any other way' is too vague.

President Dick thanked the resident for his thorough evaluation of the changes. The resident gave credit to his wife. President Dick said he would welcome either of them to consider applying for the open Board position. The Community

Manager will meet with the Architectural Committee to review all changes before presenting the final Architectural Standards to the Board.

There was some discussion about the Exterior Project Request form being in the monthly newsletter. Most people present at the meeting stated they like it in the newsletter every month .

Finance — General. President Dick introduced Brenda Conway of Kim, Conway and Associates. Brenda presented the Board members with copies of the January financial statements and reviewed some of the details of the reports. We currently have a very high number of delinquencies. Apparently, starting in the fourth quarter of 2006, Koger did not send late notices or make any attempts to collect NCA's fourth quarter fees. Overall, Brenda stated that the transition from Koger has gone well. NCA was much smarter than other associations who did not have signature authority over their checking accounts and reserve accounts. She has prepared a list of 2006 audit documents that she has in her possession to give to NCA's auditor. He will be able to review and notify NCA what documents are still needed from Koger.

Write Off – Ms. Conway presented the Board with four situations where homes were sold over the past year and NCA did not get paid for their outstanding debt at settlement. At this point they are uncollectible and she is asking for the Board's vote to write them off. Director Catherine made a motion to accept the accountant's recommendation to strike the four outstanding debts as a write-off. Director Nolan seconded the vote. Ms. Conway was asked if there was any way to collect that money from the settlement company. She didn't think so. Vote 3 (yes) – 2 (no).

NCA Assessment Invoices — The Community Manager mentioned residents' comments on our invoices from the new accountant. Some residents like getting a statement that has a return form on the invoice and return envelopes. Ms. Conway stated there is no need for them to return anything except the check. The next quarterly invoices should probably state that. President Dick said this is a transitional time and we should wait one more quarter before considering changing the new procedure.

2005 Audit Status — The Community Manager was asked at last month's meeting to speak to NCA's auditor about the next step for the 2005 audit. It is the auditor's recommendation that the NCA attorney send Koger a letter giving them a deadline for providing documentation that explains the \$11,000 audit discrepancy. The Community Manager stated that she has been working with Ms. Conway to see if there are any documents that are needed from Koger to complete the 2006 audit so that the request for those documents can be included in the letter. Director Catherine made a motion to accept the auditor's recommendation to have the attorney prepare a letter to Koger giving them a deadline for resolving the 2005 audit issues and that the letter should include a request for missing documentation needed for the 2006 audit assuming the cost of the letter does not exceed \$1,750. Director Carroll seconded the motion. Vote 5 (yes) – 0 (no).

Investment Funds – NCA has a \$187K Treasury Bill that matures on 2/15/07. Based on the ladder method we currently use for our T-bills, we could roll this amount in whole or part over to 2010. The yield doesn't change much if we split it or even push the maturity out another year. Director Nagel made a motion to roll the 187K T-bill over until 2010. Director Catherine seconded it. Vote: 5 (yes) – 0 (no).

Reserve Spending Plan – President Dick passed out copies of the Schedule of Replacements for common grounds and streets/curbs as prepared by the reserve analysis. He asked the Board for their opinions on if they were prepared to spend \$150K to fix Moline Place. There was talk about how that street was in the worse condition of all NCA streets and if the work needed to be done what options did we have. There was more talk about ETC and their comments on Moline as well as Durer. After some discussion about the dissatisfaction with ETC's comments, it was agreed that the Community Manager would look for another engineering firm to consult with.

Adjourn — Director Carroll made a motion to Adjourn. Director Nolan seconded it. Vote 6: (yes) – 0 (no). Meeting adjourned at 9:40 pm.