

**Ashburton Manor HoA**  
**Board of Directors Meeting Minutes**  
**January 11, 2010**

A regular meeting of the Board of Directors of the Ashburton Manor Homeowners Association, Inc. (the "HOA") was held on Monday, January 11, 2010 at Crossfield Elementary School.

The following members of the Board of Directors were present at the meeting: Tom DeFranco, Peter Fish, Don Howell, Keith Jacobson, Dave Jones, Lou Ward and Rick Willhite. Also in attendance was Patti Lloyd from AAA Property Management Company.

The meeting was called to order at 7:08 p.m. Tom DeFranco, President of the HOA, presided at the meeting. Peter Fish, Secretary of the HOA, took the minutes.

The first order of business was the approval of the minutes for the Board's previous meeting. Upon motion, duly seconded and unanimously approved, the Board approved the minutes of the Board of Directors meeting held September 24, 2009.

Ms. Lloyd then provided the management report from AAA. The first item involved the legal fees the Association was incurring in connection with the Koger Management embezzlement matter. Ms. Lloyd reported that she had contacted the Association's legal counsel and was told that it was not likely that the Association would ever recover anything from Koger. After discussion, the Board concluded that the law firm should be informed that: (1) the Association does not want to incur any additional costs in the matter of the Koger embezzlement, and (2) the Association is willing to allow the status quo to continue only if the Association does not incur additional costs. AAA was directed to deliver that message to the law firm and specifically emphasize that the law firm is not authorized to incur any additional fees on the matter without the Board's prior approval and will not pay any legal fees charged on this matter if such prior approval is not obtained.

Mr. DeFranco raised a question with regard to closed action items. It was confirmed by Ms. Lloyd that with regard to the matter of the late fee passed along to the Association by its tax accountants had been raised with the tax accountants and the firm had rejected the Association's request for a refund. Ms. Lloyd also confirmed that the inquiry had been made with Fairfax County with regard to the possible removal of trees along the walking path and Fairfax County had indicated that the trees were not on County land and therefore the County had no authority or responsibility for them. Ms. Lloyd also confirmed that Fairfax County indicated that the County had no authority to prevent the removal of the common area parking lot should the Association decide to take that action. Finally, Ms. Lloyd confirmed that Bishops had returned to take care of the follow-up tennis court crack repairs.

The next topic for discussion was the Financial Report. There was a discussion of the unappropriated equity deficit included in the draft audit prepared by the Association's accounting firm. The explanation provided for the deficit was that it was related to an issue that had come up at the time the Association was originally established. AAA was directed to tell the accounting firm to write off or retire the unappropriate equity so that it no longer shows up in

future audits. Ms. Lloyd was also directed to ask the Association's accounting firm why audits are conducted on an accrual basis when the Association's maintains its financial records on a cash basis. In addition AAA was directed to tell the accounting firm to write off the amount owed to the Association due to the Koger embezzlement. Upon motion, duly seconded and unanimously approved, the Board determined that with respect to the financial year just ended on December 31, 2009, that any and all surplus remaining from the Association's operations for the year should be applied to the Association's reserves.

The next item was the civil suit filed against the homeowner that has been grossly delinquent with regard to the payment of Association assessments. Ms. Lloyd reported that a default judgment had been obtained in the case and that the next step in the process would involve the law firm pursuing collection on the judgment by establishing a garnishment. It was further explained that while the Association's attorney's fees were included in the amount of the judgment, some additional legal costs would be incurred in connection with setting up the garnishment.

Ms. Lloyd indicated that it would be appropriate to plan for the Association's next annual meeting. After discussion, it was determined that the HOA Annual Meeting would be tentatively scheduled for Wednesday, April 13, 2010.

Mr. DeFranco raised the issue of the Association's Reserve Study. He indicated that he had circulated a spreadsheet updating and correcting the items established by the original reserve study. After discussion, the consensus among the Board members was that a separate meeting should be held that is devoted exclusively to the Reserve Study. Among the specific items that will need to be reviewed and discussed is the condition of the walking path on the NV side of the community.

Finally, Mr. Fish provided an update on the Verizon FiOS matter. Mr. Fish handed out copies of the easement document that had been received from Verizon for review by members of the Board. There was a general discussion of the terms of the easement and it was clear that some of the terms raised concerns for some of the members of the Board. Mr. Fish noted that Verizon had indicated that it would be willing to consider changes to the easement document. After discussion, it was determined that further review and discussion was necessary. It was determined that the matter would be deferred and that a special meeting of the Board of Directors would be held on Monday, January 25, 2010 for further discussion about the common area easement to facilitate Verizon's installation of FiOS.

The meeting was adjourned at 8:45 pm.