



The Villas at Madison Condominium Association, Inc.

Annual Meeting of the Members

October 4, 2012

1. Call to Order
2. Calling of the Roll, certification of attendance, and announcement of Quorum
3. Guest speaker
4. Proof of Notice
5. Reading of Minutes from last year's annual meeting
6. President's Report: Mr. W.T. Powers
7. Treasurer's report: Mr. Al Renz
 - a. Budget performance of previous fiscal year
 - b. Presentation of New Budget 12-13 / discussion of 70-604 Ruling
 - c. Vote to adopt Budget
 - d. Vote to adopt 70-604 ruling
8. Election of Member to the Board of Directors
9. Rental Restriction discussion/vote
10. General discussion / Open Forum
11. Adjourn

The Villas at Madison Condominium Association, Inc.

Minutes, Annual Meeting of the Members September 19, 2011

Annual meeting called to order at 0600 by W.T Powers, President

Board Members Present:

- WT Powers, President
- Bette McClure, Vice President
- Al Renz, Treasurer
- Milt Williams, Secretary
- David Frederick, Member at Large

Management Company Personnel Present:

- Bradley A. Ginn
- Cherie Capesius
- Carlene Robers

The membership signed in, property manger staff certified attendance, and Mr. Powers announced that 61 owners were present and 25 proxies were received for a total 86 homeowners represented, which establishes a quorum in accordance with the Villas at Madison By-laws. Proof of Notice was also provided, verifying that notices were mailed to all owners on August 25, 2011.

Mayor Finley was a guest speaker. Among many topics he addressed were: Any Madison citizen can get an appointment with him. He reserves time on his schedule for such appointments. He recommended that everyone view the new Madison web site. In addition, he answered questions from the audience.

Minutes from last year's annual meeting were accepted as presented.

Mr. W.T. Powers reported on the year's events and next year's plans including: Replacement of mail boxes, information about ditch erosion on the south side of the development, how financing by FHA and other government agencies affect condo sales, the need for additional volunteers, new owners were recognized, current officers were introduced, all-star volunteers were identified, etc.

The treasurer's report: was presented by Mr. Al Renz. He covered:

- A. FY 11 budget performance against the budget and the reserve study: In particular, the reserve study extends for 30 years and includes projections for replacement of all capital items to include mail boxes in FY 12.
- B. A budget for FY 12 was presented with total expenses of \$50,682.42 and is attached to these minutes. No increase in CAF fees was included. Interest income is expected to decrease in FY 12.

- C. Adoption of the proposed FY 12 budget was voted on and passed.
- D. The 70-604 ruling was voted on and passed.

An election of two members to the Board of Directors was held. W.T. Powers and Bette McClure were re-elected.

There was a discussion and vote about the construction of a sidewalk that was installed prior to approval at the annual meeting. Approval of the sidewalk was voted on and did not pass. The Board of Directors will decide on when and how to remove the sidewalk at the next periodic Board meeting.

There was a period for general discussion and questions. Issues addressed included: The paint cycle is one of painting seven buildings each year. Building 3 and the club house in phase 1 have not been painted. Buildings in phase 2 will begin to be painted in FY 12. A question was asked about installing tornado shelters in garages. It was pointed that the garage floors do not belong to the condo owner and permission would be require to install such an in-ground shelter. Revisions to the directory were provided.

The 2011 Annual Meeting adjourned at 7:50 PM.

Submitted by:

Milt Williams, Secretary

Villas at Madison Condominium
Profit & Loss Budget Performance
Fiscal 11-12

	Aug '11 - Jul 12	Annual Budget	Draft Budget
Ordinary Income/Expense			
Income			
5010 · Common Area Maintenance	391,020.00	391,020.00	391,020.00
5020 · Late Charges	520.00		
5025 · Returned Check Charge	280.00		
5030 · Interest Income	1,138.60	4,000.00	2,000.00
5035 · Unit Purchase Fees	7,546.00	5,000.00	5,000.00
5040 · Knology Access Fees	9,112.00	9,000.00	9,000.00
5045 · Pool Key/Tag Income	60.00		
5050 · Miscellaneous Income	529.91		
Total Income	410,206.51	409,020.00	407,020.00
Gross Profit	410,206.51	409,020.00	407,020.00
Expense			
7000 · Administrative Expenses			
7020 · Annual Meeting Expense	228.48	300.00	300.00
7455 · Bad Debts	0.00	425.00	425.00
7560 · Bank Service Charges	0.20		
7610 · Clubroom Expense	1,868.95	2,500.08	2,000.00
7725 · Telephone expense	556.39	540.00	540.00
8060 · Insurance Casualty	36,216.47	34,731.00	35,772.93
8330 · Management Fee			
8331 · Management Incentive Award	3,000.00	3,000.00	3,000.00
8330 · Management Fee - Other	43,260.00	43,260.00	43,260.00
Total 8330 · Management Fee	46,260.00	46,260.00	46,260.00
8430 · Website Hosting and Maintenance	307.20	600.00	250.00
8440 · Newsletter	219.59	100.00	100.00
8450 · Office Supplies & Expense	17.97	675.00	675.00
8490 · Professional Fees			
8491 · Accounting	890.00	987.50	987.50
8492 · Legal	248.00	825.00	825.00
8490 · Professional Fees - Other	300.00		
Total 8490 · Professional Fees	1,438.00	1,812.50	1,812.50
8500 · Postage/Notices Delivered	270.71	300.00	300.00
8700 · Taxes & Licenses			
8701 · Federal Income Taxes	0.00	2,500.00	1,000.00
8702 · State Income Taxes	0.00	350.00	350.00
8704 · Common Area Property Tax	872.85	1,375.00	900.00
8705 · Alabama BIT-V Tax	0.00	150.00	150.00
Total 8700 · Taxes & Licenses	872.85	4,375.00	2,400.00

Villas at Madison Condominium
Profit & Loss Budget Performance
Fiscal 11-12

	Aug '11 - Jul 12	Annual Budget	Draft Budget
7000 · Administrative Expenses - Other	840.50		
Total 7000 · Administrative Expenses	89,097.31	92,618.58	90,835.43
8000 · Operating Expenses			
7600 · Cleaning			
7601 · Cleaning Contract	0.00	0.00	0.00
7603 · Cleaning Labor	0.00	1,200.00	1,200.00
Total 7600 · Cleaning	0.00	1,200.00	1,200.00
7800 · Grounds Expense			
7801 · Grounds Contract			
7810 · Fuel Surcharge	1,800.00		1,000.00
7801 · Grounds Contract - Other	81,780.00	85,380.00	81,780.00
Total 7801 · Grounds Contract	83,580.00	85,380.00	82,780.00
7802 · Grounds Contract Additions	300.00		
7803 · Grounds Special Projects	15,351.19	15,000.00	16,500.00
7804 · Grounds Materials & Supplies	0.00	338.00	338.00
7808 · Grounds Irrigation Maintenance	7,341.58	6,000.00	6,000.00
7809 · Grounds Annual Flowers	900.00	1,575.00	1,575.00
Total 7800 · Grounds Expense	107,472.77	108,293.00	107,193.00
8460 · Painting			
8461 · Painting Contract - Exterior	28,000.00	28,000.00	16,000.00
8465 · Painting - Additional	1,139.00	640.00	640.00
Total 8460 · Painting	29,139.00	28,640.00	16,640.00
8470 · Plumbing Expense			
8471 · Plumbing Contract	0.00	500.00	500.00
8470 · Plumbing Expense - Other	2,096.21		
Total 8470 · Plumbing Expense	2,096.21	500.00	500.00
8480 · Pest Control			
8481 · Pest Control Contract	2,340.00	2,340.00	2,340.00
8482 · Annual Termite Bond	8,390.00	8,926.00	8,926.00
Total 8480 · Pest Control	10,730.00	11,266.00	11,266.00
8510 · Pool Maintenance and Materials			
8511 · Pool Contract	7,318.14	8,200.00	8,200.00
8512 · Pool Labor	37.96		
8513 · Pool Supplies & Materials	1,422.63	2,100.00	2,100.00
8510 · Pool Maintenance and Materials - Other	125.00		
Total 8510 · Pool Maintenance and Materials	8,903.73	10,300.00	10,300.00

Villas at Madison Condominium
Profit & Loss Budget Performance
 Fiscal 11-12

	Aug '11 - Jul 12	Annual Budget	Draft Budget
8630 · Roof Repairs & Maintenance			
8634 · Gutters & Downspout Repairs	933.00	1,500.00	1,500.00
8635 · Gutter & Downspout Cleaning	786.00	1,500.00	1,500.00
8636 · Dryer Vent	80.00		
Total 8630 · Roof Repairs & Maintenance	1,799.00	3,000.00	3,000.00
8640 · HVAC Repairs (Clubhouse)			
8643 · HVAC Repairs Labor	0.00	500.00	500.00
Total 8640 · HVAC Repairs (Clubhouse)	0.00	500.00	500.00
8650 · Repairs & Maintenance			
8651 · Repairs Contract			
8652 · Exterior Repairs	15,978.02	15,000.00	16,500.00
8653 · Collateral Repairs	252.00	100.00	100.00
Total 8651 · Repairs Contract	16,230.02	15,100.00	16,600.00
8657 · Repairs-Common Area Electrical	2,377.91	1,500.00	1,500.00
8650 · Repairs & Maintenance - Other	919.09	2,000.00	2,000.00
Total 8650 · Repairs & Maintenance	19,527.02	18,600.00	20,100.00
8660 · Trash Removal			
8661 · Trash Removal Contract	19,720.00	18,720.00	21,720.00
8662 · Trash Removal Mats & Supplies	0.00		
Total 8660 · Trash Removal	19,720.00	18,720.00	21,720.00
8670 · Sidewalk & Paving Repairs	1,025.00		
8800 · Utilities Expense			
8801 · Electric	3,544.00	3,900.00	3,900.00
8802 · Water	13,141.78	16,000.00	15,500.00
8803 · Gas	910.71	800.00	1,100.00
8804 · Sewer	19,130.94	22,000.00	19,500.00
8805 · Lawn Water	10,818.07	19,000.00	15,500.00
8806 · Utility Tax	2,479.88	3,000.00	2,600.00
Total 8800 · Utilities Expense	50,025.38	64,700.00	58,100.00
Total 8000 · Operating Expenses	250,438.11	265,719.00	250,519.00
Total Expense	339,535.42	358,337.58	341,354.43
Net Ordinary Income	70,671.09	50,682.42	65,665.57
Net Income	70,671.09	50,682.42	65,665.57

Villas at Madison Condominium
Profit & Loss Budget Performance
Fiscal 11-12

	<u>Aug '11 - Jul 12</u>	<u>Annual Budget</u>	<u>Draft Budget</u>
Capital Expenses			
9500 - Capital Improvement			
9515 - Mailbox replacement	11,372.00		
9516 - Clubhouse Paint	2,860.00	Seal coat	26,000
9517 - Clubhouse Carpet	<u>1,327.27</u>		
Total 9500 - Capital Improvement	15,559.27		
Net After Capital Expense	55,111.82		<u>39,665.57</u>

STATE OF ALABAMA)

COUNTY OF MADISON)

RESOLUTION

WHEREAS, The Villas at Madison is a condominium duly organized and existing under the laws of the State of Alabama, in accordance with the Declaration of Condominium dated July 26, 2000, and filed for record in the Office of the Judge of Probate of Madison County, Alabama, and the successor by merger of the Villas at Madison Condominium and the Villas at Madison, Second Section, by Articles of Merger filed in the Office of the Judge of Probate of Madison County, Alabama as Document Number 20100813000452670, and as last amended by Amendment to Declaration of Condominium filed in the Office of the Judge of Probate of Madison County, Alabama, on August 3, 2012, as Document Number 20120803000483530; and,

WHEREAS, the owners of units in The Villas at Madison Condominium desire to further amend the Declaration of Condominium in accordance with the provisions of the Declaration of Condominium, as last amended, and in accordance with the provisions of Alabama law so as to change the provisions of Article VI, 6.09; and,

WHEREAS, the owners of the units in The Villas at Madison also comprise all of the members entitled to vote in The Villas at Madison Condominium Association, Inc., a non-profit corporation organized and existing under the laws of the State of Alabama, and whose Articles of Incorporation are filed in the Office of the Judge of Probate of Madison County, Alabama, in Corporation Record Book 172, at Page 528, et seq.; and,

NOW, THEREFORE, BE IT RESOLVED, after due and proper notice as required by law and the provisions of the Alabama Uniform Condominium Act, as follows:

1. **THAT**, the Declaration of Condominium of The Villas at Madison be amended so that Article VI, 6.09 shall read as follows:

“6.09 Leasing of Units. The leasing of a Unit by any Owner shall be subject to the following provisions:

(a) **No more than 20 Units may be leased or rented at any one time. Prior approval to offer a Unit for lease shall be first obtained from the Board of Directors of the Villas at Madison Condominium Association, Inc. The Board of Directors of The Villas at Madison Condominium Association, Inc. may adopt such rule or rules as may be necessary to regulate the process or procedure for determination of the requirements and circumstances under which each Unit proposed to be offered for lease may be approved and the terms of such approval.**

(b) **Units may be rented only in their entirety; no fraction or portion may be rented. No transient tenants may be accommodated therein. All leases and lessees are subject to provisions of this Declaration and By-Laws. All leases must be in writing. The Unit Owner must make available to the tenant copies of the Condominium documents including this Declaration, By-Laws, and rules and regulations. Any lessee, by occupancy in a Unit, agrees to the applicability of this covenant and agrees to comply strictly with all provisions of this Declaration, By-Laws, and with the administrative rules and regulations adopted pursuant thereto, as any of the foregoing may be lawfully amended from time to time. Upon entering into any lease the Unit Owner shall notify the Board of Directors in writing of the name or names of the tenant or tenants, the name or names of all persons entitled to occupy the Unit pursuant to such lease, and the term of such lease.**

(c) **Any lessee charged with a violation of this Declaration, By-Laws, or rules and regulations is entitled to the same rights to which an Owner is entitled as provided in the Association's By-Laws.**

(d) **Notwithstanding anything to the contrary herein contained, the provisions of this Article shall not apply to impair the right of any First Mortgagee to:**

- (i) foreclose or take title to a Unit pursuant to remedies contained in any deed to secure debt;
- (ii) take a deed or assignment in lieu of foreclosure; or
- (iii) sell, lease, or otherwise dispose of a Unit acquired by the First Mortgagee.”

2. **THAT**, the President and Secretary of The Villas at Madison Condominium Association, Inc. shall be authorized, empowered and directed to execute such documents as may be necessary to be filed evidencing the amendment, including the signing and filing of an Amendment to Declaration of Condominium in the Office of the Judge of Probate of Madison County, Alabama.



**The Villas at Madison Annual Meeting
October 4, 2012
BALLOT**

The term for one (1) Board members has expired and must be filled. Mr. David Frederick has been nominated to serve for another term. Mr. Dave Osmon has also volunteered to serve on the board. If other nominations are made from the floor, please fill those names in the blank lines below. When nominations are closed, please vote for **one (1) name only by checking the name** of the person for whom you are voting. Ballots in the election for Board Members, which indicate votes for **more than one (1) name, will not be counted.**

- David Frederick
- Dave Osmon
- _____
- _____
- _____
- Abstain

**The Villas at Madison Annual Meeting
October 4, 2012
BALLOT**

- Yes in Favor of passing rental restriction amendment
- Not in favor of passing rental restriction amendment
- Abstain