

Capstone Townhouse Association
Minutes of the Annual Meeting
9/9/2004

The notice of meeting was mailed by regular mail on August 30, 2004 by Vistar Real Estate

Roll Call: Members present
 Phyllis Mango Unit 1
 Mark LeVarn Unit 4
 Bob Boymer Unit 6

 Proxies present
 Ralph Hajosy Unit 5
 John Nadler Unit 3

A quorum was established with 5 units present in person or by proxy at 6:40 PM (33% or 1.98 members required) and the meeting was called to order.

Manager's Report from Vistar Real Estate, Inc.

Dale Bugby gave a report from Vistar Real Estate. Due to the limited budget there were no added major repair or improvement projects completed during 2004. It is anticipated that insurance costs will continue to rise by about 10% on the next premium due in October. The lack of reserve funding is a primary concern for the health of the Association. It is being recommended that dues be increased to begin funding a reserve. At this time there are no replacement reserves. All owners should participate in funding future repairs. Proper budgeting will alleviate the need for special assessments. There were no units currently in arrears.

Old Business

Minutes from the meeting of 9/18/2003 were approved.

New Business

2005 Budget approval. The 2005 budget was reviewed. Due to the rising costs of association insurance and the need to fund future reserves it was decided to increase the quarterly dues effective February 2005. The dues will become \$850 per unit per quarter. This is an increase of \$100 per quarter over what was assessed in 2004. The added dues will allow the association to save \$4,350 next year toward reserves. Motion to approve the budget passed.

There was discussion on having a homeowner's parking lot sealing party next spring.

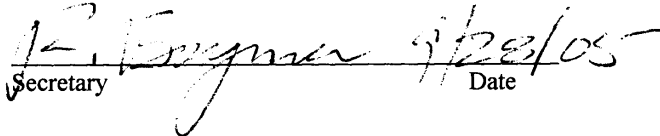
Phyllis Mango in unit 1 requested approval from the Association to remove the large deciduous tree next to the corner of her kitchen. The cost for the TOV design review board application is \$200. Motion to pay the cost of the application but not the cost for removal was passed. A permit will be required.

Election of officers. (3 persons for a one year term.) Current Board members, Marc LeVarn, President; Bob Boymer, Secretary; Phyllis Mango, Treasurer. A motion was made to re-elect the current Board. Motion passed. New officers were elected as follows: Phyllis Mango, President. Bob Boymer, Treasurer. Marc LeVarn, Secretary.

Motion was passed to adjourn at 7:20 PM

Refreshments of wine and chips and salsa were provided by Vistar Real Estate.

The minutes of this meeting were hereby approved by the membership on this date:


Secretary _____ Date 9/28/05