



# The Shadowword

April 2007

## INSIDE THIS ISSUE

- April President's Letter  
Page 1

[www.shadowwoodcondos.com](http://www.shadowwoodcondos.com)

## APRIL PRESIDENT'S LETTER

Greetings everyone!

As the winter season gives way to the warmer summer season, there are many changes underway at Shadowood. Your leadership team comprised of the Board of Directors and Shadowood officers wanted to offer this special edition of *The Shadowword* to keep everyone updated.

### UNIT OWNER STATUS REPORTS & 2007 PARKING DECALS

To save association members time and money, the annual Unit Owner Status Reports (UOSRs) and the 2007 parking decal registration forms will be combined into a single delivery. Parking decal applications will be hand delivered to all 450 SCA units during the first week of April. For resident owners, UOSR forms will be included with the parking decal forms. For off-site owners, the UOSR forms will be bulk-mailed to your registered address.

New parking decals will be required beginning May 1, 2007 and ALL unit owners are REQUIRED to submit a UOSR on the form submitted. **Only original UOSR forms are accepted and they may not be faxed or emailed to the office.**

As a reminder, all parking spaces are being renumbered this year such that your parking decal number will match your space number.

In addition, the parking-management company will be given a list of unit owners, assigned parking space to each condo, and residents' names residing at each condo. Any resident discovering someone other than an authorized parked in an assigned space may call the parking-management company and request assistance or towing as appropriate.

### KOGER MANAGEMENT

As many of you may be aware, Koger Management is under investigation for alleged embezzlement. To help assuage your concerns, we have prepared the following questions and answers:

**Q: Why didn't anyone on the leadership team say anything about this at the annual meeting?**

A: The Shadowood leadership team was not made aware of the matter until the board meeting on March 17<sup>th</sup>. At the meeting, Koger representatives presented the board with a letter from Mr. Koger discussing the matter and with details on the court papers.

**Q: Articles in the press said that Koger contacted all boards of directors in January.**

A: Although there were such statements made in the press, no one on the SCA leadership team received such a letter. The letter SCA received from Mr. Koger was dated February 27<sup>th</sup>, 2007 and hand delivered to the leadership team on March 17<sup>th</sup>. Moreover, the court order was not signed by the judge until February 26<sup>th</sup>, 2007.

**Q: I am concerned about the SCA's funds, especially the reserve funds.**

A: Koger does not control one penny of SCA's reserve funds; all of SCA's reserve funds are held by fiduciary agents outside of Koger. Moreover, all of the reserve funds are insured by the financial entities at which they are held. Koger has no access to any of the reserve funds and never did.

**Q: What kind of financial controls does SCA have?**

A: The leadership team has adopted best practices in all of our financial controls.

*Continued Next Page*

# President's Letter Continued

*Continued from Previous Page*

Among a few of the controls we use: EVERY invoice and related check, regardless of amount, is reviewed and approved by at least four different people, including at least one member of the leadership team. EVERY check requires an officer's counter signature. Expenses are either budgeted or approved by a special motion of the Board of Directors. We eliminated all "petty cash" accounts several years ago and now use monitored credit cards for purchases. We employ an outside auditor to review, quarterly, our financial management practices and report to the Board findings as often as necessary. All invoices and records are maintained on the SCA property. These are but a few of the financial safeguards that your leadership team implemented and monitors on a daily basis—helping to ensure that our funds are secure and our day-to-day financial operations are well managed.

**Q: Have any of SCA's funds been embezzled?**

A: At this time, the leadership team is not aware of any embezzled funds from the SCA's accounts. As part of the ordinary auditing process, however, we are completing a more in-depth "forensic" audit and will re-check the 2005 books to ensure that no anomalies occurred during each of the past two years.

**Q: What happens if we discover missing or embezzled funds?**

A: Koger is bonded and insured against all losses and has promised to return any missing or misappropriated funds. As part of the agreement Koger reached with the regulatory agencies and the courts, Koger has hired both an independent attorney/monitor and a forensic CPA to review all of Koger's records and accounts over a six-month period. SCA is not paying for these experts, and will have their services available for at least the next six months.

In addition, the SCA has its own insurance against these matters and would certainly pursue all remedies, including court actions, should we discover any missing or misappropriated funds.

**Q: I heard that Koger was sold. What will happen next?**

A: Koger Management Group is being acquired by National Realty Partners (NRP), a Herndon-based property-management company. The Koger brand will be retired soon and Koger and NRP have developed a website with details on the acquisition:

<http://www.nrp-koger.com/>

Please see this website for current and updated information on the acquisition.

SCA is under contract with Koger until October 2007; that contract will carry through to NRP and contains options for two one-year renewals at pre-negotiated prices favorable to SCA. In addition, the contract contains a no-fault cancellation clause enabling flexibility for the leadership team should the transition not complete to the leadership team's satisfaction.

**Q: How can I learn more about the matter?**

A: The leadership team will, as always, remain fully in control of all of SCA's finances and will release information as it becomes available. Because of the sensitive, contractual and legal nature of this information, we may not be able to release all details, but we will keep the community informed through the usual communications channels, including:

1. The SCA Website: [www.shadowoodcondos.com](http://www.shadowoodcondos.com)
2. The SCA TV Channel 10 (resuming operations during early April)
3. The SCA Email list service: (Please see the website)
4. *The Shadoword*

5. Stairwell Notices
6. Monthly board meetings: (Please see the website)
7. And a potential special meeting of the unit owners if necessary

## HEATING (NATURAL GAS) COSTS

The good news is that the leadership team locked in natural gas rates at the lowest point of the year at a cost roughly 45 percent less than last winter. The bad news is that a late winter cold spell brought more heating cost at the end of winter. April assessments for natural gas are very high, so please plan accordingly. The leadership team will vote to turn the heat off as early as possible to lower gas costs. Once the heat is switched off, the air conditioning will be turned on for the summer. The heating cannot be switched back on, so please do not call the office requesting heat. If you choose to use electric space heaters, please do so with extreme caution and ALWAYS unplug them when you are not in the room with them.

Keeping in mind that we all share in the cost of heat equally, please do your best to conserve heat and keep your windows and doors closed when your heat is running.

## CHILDREN PLAYING IN THE COMMON ELEMENTS

As the weather warms, everyone wants to be outside enjoying the fresh warm air. However, the association has rules on where children may play. PLAYING IN THE STREETS IS NOT ALLOWED at any time! We have observed many children playing unsupervised in the streets and throwing balls. Not only do the children risk their own safety and those of their friends, they risk damage to cars and common elements.

The leadership team has also noted many children climbing on the new

*Continued Next Page*

# President's Letter Continued

*Continued from Previous Page*

trees and landscaping throughout the property—also against the rules and regulations. Anyone caught damaging any common elements including landscaping, will be assessed the full charges of repair or restoration – no exception!

We have directed Koger Management to vigorously enforce the rules and regulations and will be calling the parents of the violators to hearings. **If you see a violation of this or any other rule, please do not suffer in silence.** Contact the Shadowood office and make a complaint so that SCA can take the appropriate action. Without documentation, including unit number, there is little SCA can do.

Please supervise your children! DO NOT allow them to play in the streets unsupervised and do not allow them to throw balls anywhere on the property. There are many recreation areas in and around Reston – please take your children there or supervise them if you want to be outside on the Shadowood common elements.

## CLUBHOUSE RENOVATION COMPLETE!

After what seemed a lifetime of delays and false starts, the Shadowood Clubhouse renovation program ended on time for the annual meeting on March 5<sup>th</sup>. The entire building underwent a badly-needed rejuvenation and modernization. Among some of the features are:

1. new energy-efficient doors and windows
2. a modern life-safety system
3. new electrical and telecommunications infrastructure (including both wired and wireless high-speed internet)
4. updated office space and accessible restrooms and kitchen facilities
5. To save energy and better control daylight, the ceilings were lowered and flattened

6. Skylights were installed in the clubhouse space so that the room remains remain light and bright without using electric lighting
7. new windows were installed on the north side of the building offering a view of the woods and landscaping
8. To control noise, carpeting and tiling were installed throughout
9. All new highly-efficient lighting was installed, reducing electricity consumption about 65 percent
10. An LCD TV was installed in the front lobby to function as an electronic bulletin board and display for the SCA TV Channel.

Last year a new heat-pump system was installed which dramatically lowered the heating and cooling costs of the building and allowed for individual temperature control by room and time-of-day temperature setbacks, a new roof was added and the front entrance was landscaped. If you have not seen the new clubhouse, please stop by and see why Realtors have been giving it rave reviews and comments on how it will improve property values.

NOTE: The clubhouse rentals will again be available sometime later this spring. Watch for an announcement on the SCA TV channel or on the SCA website for availability and rates.

## VISITOR PARKING:

For the first time in decades, Shadowood will soon have visitor parking! Eleven (11) parking spaces on the north side of the clubhouse have been made available for open parking. The program details are still being worked out, but some of the highlights are:

1. Guest parking passes will be available for \$10 a day
2. Limits of one pass per resident for a maximum of two weeks at a time
3. Residents will be able to purchase the passes from the on-site office

4. during normal business hours (checks or money orders only)
5. There MAY be a means to purchase guest passes through the SCA Website using a credit card (to be determined)
6. Passes will be allocated on a first-come, first served basis
7. Guests displaying purchased visitor passes may park in any non-reserved space on the property

Please watch the website and TV Channel for more details and a launch date.

## LATE FEE INCREASES

Beginning May 1<sup>st</sup> the fee for payments received after the delinquency date is being increased to \$75.00. In addition, this fee will be charged on all accounts with a positive balance after the delinquency date. The delinquency date is usually the 15<sup>th</sup> of each month or the first business day after the 15<sup>th</sup> of the month when the 15<sup>th</sup> falls on a weekend or holiday celebrated by Koger or SCA.

## ELECTRICITY SUBMETERING

At the end of February, the leadership team terminated the contract with Metering Systems Incorporated (MSI). MSI performed electricity submetering services for Shadowood and was supposed to maintain the equipment providing the service. Unfortunately, MSI was unable or unwilling to repair the system which was providing inaccurate metering services leading to wildly varying electric bills for all of us. Recently, some occupied units were showing monthly usage charges of less than \$5 while unoccupied units were showing much higher.

Since this practice was not fair to all and since the equipment is both obsolete and worthless, the leadership

*Continued Next Page*

# President's Letter Continued

*Continued from Previous Page*

team decided to discontinue electricity submetering until a new vendor is selected and a new service rolled out. The Board engaged several companies to offer new submetering solutions. We hope to sign a contract in the very near to future (days) and begin installation of this new system shortly thereafter. What does this mean to you:

1. Common electric charges will be suspended from May until the new service is completely rolled out
2. Beginning with your May 2007 statement, SCA will charge two rates for electricity—a 2-bedroom and a 3-bedroom rate as we now do for natural gas
3. Beginning with your June 2007 statements, electricity submetering is suspended
4. The \$7.00 monthly billing fee will apply for May
5. The \$7.00 monthly billing fee will be suspended from June until the new service roll out begins
6. The monthly billing fee will increase as a rate of \$7 per unit as the units are rolled out; SCA will charge 1/450<sup>th</sup> of the entire billing charge to each unit as the units are connected to the metering service. The maximum charge of \$7 per unit will be realized once all 450 units are connected to the service
7. SCA will not purchase or own any of the metering equipment and will not be responsible for any on-going operation or maintenance services. **This saves about \$500,000 in up-front capital costs plus installation and maintenance costs for the contract duration—costs that you will not have to pay from the reserves accounts or other assessments.**
8. The new service is wireless and much more accurate than the current service.

## HVAC UPDATE

SCA is pleased to announce that we

have selected CFR Engineering Inc. of Frederick, Maryland to conduct an Engineering Study our HVAC system. The purpose of this study is to survey our current HVAC system and design a new, energy efficient system that balances comfort and long-term value for the entire community. Please feel free to browse their web site at <http://cfrecinc.com> for a listing of qualifications and past projects.

The study, which should be completed in roughly two months, will provide our community with a variety of system options to chose from and release to bid. We encourage everyone to come out and participate in the HVAC Committee as we move toward some very important decisions.

Information on the HVAC committee is posted on the Shadowood Web Site at [http://www.shadowoodcondos.com/hvac\\_committee.htm](http://www.shadowoodcondos.com/hvac_committee.htm) and the Shadowood Channel (Channel 10). Everyone in the community is welcome to review this material and provide comments. If you would like to participate in the HVAC Committee, please email the committee chairman at [hvac@shadowoodcondos.com](mailto:hvac@shadowoodcondos.com).

## ENERGY-MANAGEMENT SYSTEM / AIR-CONDITIONING REMINDER

Although the weather still seems to be cold and dreary, the leadership team will soon be voting to turn the heating off and the air-conditioning on. This helps us all save money on very expensive natural gas and gives the Association time to correct any air conditioning problems before hot weather arrives.

As many of you know, our property does not currently have the ability to operate both heating and air-conditioning at the same time. As such, the leadership team votes when to switch from one mode to the other and makes that switch only twice per year -- once in the spring and again in the fall. In addition, the association uses an energy-management system

(EMS) that limits the total electrical consumption property wide. On very hot and humid days, the EMS will switch groups of air conditioners off in a rotating cycle so that total electrical demand is limited to the thresholds established by the leadership team. Please keep in mind that while this system limits the amount of air conditioning available a few days a year, it enables the Association to save on its electric bill for EVERY day of the year.

Here are some tips and reminders on the EMS and air-conditioning system:

1. Only units in good standing and with paid in full accounts will be offered air conditioning service. Any unit with a delinquent account will NOT have air conditioning available until the account is paid in full. There are NO (including medical) EXCEPTIONS to this policy.
2. Shadowood owns and maintains the HVAC system. Do not tamper with or attempt to repair or replace any of its components, including thermostats. Anyone replacing a thermostat may damage the system and all costs of restoration and repair will be charged to the unit owner. Contact the SCA on-site office for HVAC repairs.
3. Please be sure to check your circuit breaker box for any switched off or tripped breakers BEFORE calling the office for air-conditioning repairs. As a reminder to all, Shadowood owns and maintains the heating and air-conditioning systems. All repairs are performed during normal business hours by the association at no direct cost to unit owners or tenants.
4. Shadowood uses an energy-management system (EMS) to minimize electricity costs. The EMS randomly cycles air-conditioning units off (but not the interior furnace fan) depending on the total energy load throughout

*Continued Next Page*

# President's Letter Continued

*Continued from Previous Page*

5. the property. To maximize the available air conditioning, do not do laundry, use your ovens or otherwise use large amounts of electricity during these times.
6. **Our air conditioning system is designed to reduce the indoor temperature up to 20 degrees lower than the outdoor temperature, so do not expect 70 degrees inside when it is 100 outside.**
7. Please refrain from calling the office for repairs unless you have no air conditioning at all. Before you do call, always check the circuit breaker panel near your front door for any tripped circuits, ensure that your thermostat is set for COOL(ing) and that the temperature is set at a comfortable level. It's best to keep your thermostat at a constant, comfortable temperature all the time. Lowering the thermostat after 5 PM increases electricity demand and limits the amount of time air conditioners operate. Please do not install programmable or other thermostats without contacting the SCA on-site office. The thermostats and all HVAC equipment belong to, and are maintained by, Shadowood. Peak electrical demand is usually experienced weekdays from 6 - 10 PM. To enable more air conditioning during these hours, please avoid using other electrical devices, clothes washers and dryers and baking or cooking.
8. "No Air Conditioning" calls are NOT provided as an emergency service after business hours and on weekends; however, after-hours service calls are available **but each service call is charged to the unit owner at SCA overtime charges.**
9. Only unit owners, **and not tenants**, may authorize after-hours service calls. Please consider waiting to file a "No Air Conditioning" call until

normal business hours (Monday through Friday 9 - 5 ).

10. All after-hours no air conditioning call and other emergency calls must be phoned in on the Shadowood main phone line at 703-620-5444.
11. All 450 SCA units **MUST** remain connected to the EMS at all times -- there are NO exemptions available.
12. Please see SCA Policy Resolutions 2006-02 and 2006-02 found in your governing documents package or on the SCA Website. **If your air conditioner is not operating or its output is weak:** The Association owns and operates an energy-management system (EMS). The EMS is connected to all units and cycles air-conditioners off periodically throughout the day. The system may turn off your compressor for a few minutes each hour (up to a total of 40 minutes per hour on very hot days), but it will eventually return to service. If your unit is not cooling at all, please report the problem to the office. **NOTE:** The air-conditioning system at Shadowood is designed to reduce indoor temperatures by no more than 20 degrees.

Free Refrigerator!  
Older unit that still works  
very well!

Will need some cleaning. You  
haul from a ground floor unit at  
2220 Castle Rock Square.

First come, first served.

Contact Mr. Jacobs at  
(703) 200-5858

## SCA Calendar

**April 21, 2007**

Hearings Panel – 9:00 AM

Board Meeting – 10:00 AM

*SCA Community Center*

**May 19, 2006**

Hearings Panel – 9:00 AM

Board Meeting – 10:00 AM

*SCA Community Center*

HAVE AN AD?

PLACE IT HERE!

- OR -

PLACE IT ON TV!

- OR -

**BOTH!**

Send inquires to [president@shadowoodcondos.com](mailto:president@shadowoodcondos.com).











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CONTAINS PARKING PAPERWORK!**

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