

The annual meeting of Northface Resort Condominium Association was held at Fox Ridge in North Conway, New Hampshire on November 21, 1987. The meeting was opened at 1:15 p.m., at which time there was a roll call and new owners introduced themselves.

A motion was made and seconded to vote at the end of the meeting to fill the vacancy on the Board.

Old Business - Joey (Gribbel Wason & Jones) presented the operating budget for the new year without special assessment. Joey stated that there may be a surplus from last year's budget, but that the books were not closed at yet. It was felt that if the fiscal year (which is from December to November 30) was changed this information could be available at our annual meeting. All owners voted in favor of receiving an accounting of the previous fiscal years. One of the owners stated he wanted to know the expenditures and where the money has been spent this year. A motion was made and seconded that a statement of operation which is submitted by the Treasurer will be mailed to all owners. It was also stated that an audit report is planned to be done. Owner of Unit 37 (Peters) spoke on operational expenditures and capital expenditures. Owner of Unit 20 (Tomko) stated he would like to see a total accounting of everything that has been spent etc.

The attorney for Northface, Steve Latisi was present for the meeting. He spoke to the owners of the difficulty of our case. Fraud must be proven when an individual is sued. Shaw's corporation has no assets. It appears that Shaw has "stripped assets of the corporation" and he has done this in the past. Suit was filed against Shaw in July of 1986 in Carroll County Superior Court. Motion to produce has been required. Defendants have objected. A hearing is scheduled for next Tuesday to force them to produce building specs, blueprints and proposals from subcontractors. There is a number of concerns of the roof trusses which may have been altered. It seems "the building was decided as construction moved along". Three counts have been brought against Shaw individually and the corporation: (1) Action in negligence, (2) action in contract, and (3) action in plea of law under condo statute. There is a one year warranty. In the Declaration of Public Offering Statement it is stated that there are "tennis courts". There is only one. This is probably a typo. There can be no amount in the claim for the suit because New Hampshire law is not allowed to set out an amount. Damage is whatever we are able to prove. Damages in contract case include: (1) diminishment in value of unit which must be done by a real estate appraiser and (2) cost of repairs. Attorney Latisi's prognosis of the case is there are minor problems of loose wiring of the dryer vents and a question of whether the work was sloppy or in violation of National Building Code. There has been settling of slabs causing major problems with chimneys, which is the greatest single building defect. The ceramic thimbles in contact with the wood caused major problems. The insurance company has filed an appearance. There is a general liability

policy which Shaw had for the negligence of the corporation. The damages include improperly constructed chimneys, improperly poured foundation for Building #4 and retaining walls. A report has not been received from the insurance company and it will not be available to us unless the case goes to trial. Time frame for going to court is late spring or early summer. Insurance company would like to have a demand from us. Motion was made by owner to close this discussion and a follow-up report be sent to the owners. It was suggested that subcommittees be formed when an offer is made by the insurance company. Legal fees are 25% of the net recovery settlement or the award after payment of expenses. We must first pay expenses of litigation costs that have been incurred as well as out-of-pocket any money which has been advanced by the law firm for postage, steno, photocopies, telephone calls, expert witnesses; 25% if settlement prior to trial. If we go to trial, lawyer's fee is 33 1/3%. Attorney stated he is hopeful that we will be getting a substantial amount of money for settlement. Insurance policy covers only negligence. Attorney Latisi left our meeting at 2:30 p.m.

Discussion as to the improvements and repairs of the chimneys on the two story buildings and the other buildings will be done by the end of the month, as well as regrading of the parking lot and the greenhouses on the Stratford building. For owners who have not been to Northface recently, Trees were installed going up the driveways. Unit 39 cover to flue is missing and will be replaced. New wreaths will be put in place for the holidays this year as they were in the past. Next spring we expect to install privacy barriers on the porches. The old spotlights will be replaced with eight high pressure sodium fixtures. Bids are being accepted for the staining work which we would like to have done next summer. The possibility of having street lights going up the driveways was also discussed. Regrading of the parking lot has been 95% accomplished. Joey stated we may need an adjustment on the corner away from the last building. Possibility of installing a catch basin 3 feet high. Condominium fees and collections was discussed. Owner of Unit #39 (Gormley) directed a letter to the Board which was read into the minutes in which he questions the late fees being charged. Bob Moore stated he will send the requested information to Gormley. The owners seemed to feel that there is a communication problem. To help alleviate this problem, Brenda and Dennis volunteered to send out a monthly news letter since they are now free of financial responsibilities which Gibbel, Wason has taken over. Joey stated the problems of the past are taking some time to straighten out. He recommended that the Board open a savings account which gets funded every month. Liability and property insurance was discussed. Should be covered for full replacement value. Owner Nancy Grant suggested removing the slide in the pool to save on insurance costs. This will go into the news letter. There was some concern by owners on the second floor in the event of a fire because there is only one means of egress on the two story buildings. It was felt there should be a rope available in the end buildings in the upper units. If necessary, in the event there is news on the pending

law suit an emergency meeting will be called and notices sent to the owners. An owner questioned whether our association was in line with other condos as to dues being paid in a timely manner. Joey stated we were very much in line with the other associations that he manages. Grading of the parking lot was also discussed.

Hoggs suggested that we buy containers to dispose of the hot ashes thereby eliminating the possibility of a fire if people throw ashes into dumpsters. An owner questioned the possibility of the condo fees being increased. It was Joey's opinion that they could stay the same. Our fees are in line with other condos and we are correcting existing problems. \$85 of the dues go towards costs and \$15 towards savings.

The Board accepted the resignation of Dotty Lowry from her position as President. Dotty and husband, Bob, have sold their condo and will be moving to this area. The Board thanks Dotty for her tireless efforts on behalf of Northface. Brenda Curry has been named as a replacement President for the remaining term.

Nominations were made and seconded for Frank Hogg and Dick Tomko to fill the vacancy on the Board. Dick Tomko resides in North Andover and spoke of becoming involved with management. Frank Hoggs resides in Milford, New Hampshire and spoke on construction. Vote was 13-11 in favor of Frank. He will fill the vacancy. It was suggested that Dick also be appointed to the Board. Motion was made and seconded. All voters were in agreement. The Board was commended for the aggressive nature in which they have pursued resolving the numerous problems of Northface (hiring attorney, maintenance company, action against Henry Shaw and Wonderview) where many other associations in the valley with similar problems have not done anything or addressed any of the problems.

The meeting was closed at 4:45 p.m.

Respectfully submitted,

  
Sandie Swartz