

The annual meeting of Northface Resort Condominium Association was held at the Red Jacket Motor Inn in North Conway, New Hampshire on December 3, 1988. Those present were: Frank Hoggs, Brenda and Dennis McKeon, Leo Kennedy and Sandie Swartz. Bob Moore was not present. The meeting was opened at 1:00 p.m. by Brenda. Also present was Al Landano from Gribbel Wason.

Steve Latisi, the attorney representing Northface in our suit against Henry Shaw, was present and updated the owners on the lawsuit. The lawsuit has been consolidated to include Brassil and Saro. He also stated that he added to our suit the subcontractors which Shaw hired during construction. Subcontractor who did chimneys had his own insurance coverage and the company is prepared to make a small offer of settlement. The suit is based on implied warranty. Butters did foundations and his insurance company would also like to negotiate a settlement.

Attorney Latisi suggested that the State Fire Marhsall inspect the brick hearths for safety issues. Roof trusses should also be inspected since they were modified in the field by Shaw. Lawyer brought an engineer to Northface to view the tresses. It was his opinion that they were modified as they came in contact with chimney. Latisi stated that declaratory judgment determines whether or not there is coverage. The insurance comopany did not file a reservation of rights and lawyer feels that they made a mistake by not doing this. He believes Wonderview will probably be dissolved. Latisi estimates damages at Northface to be approximately \$66,000. Discussion on permits--there were no codes at the time of construction. The Attorney General's office requires developer to file financial information, which is confidential. They may be willing to release this information in order for us to have a better picture of the directors at the time of filing. Condo laws in New Hampshire do not require developer to post a bond to satisfy any warranty claims that may arise in one year. Since there is a balloon payment on our loan of \$50,000 due in June 1989, he will continue to pursue the lawsuit in hopes of a settlement by that time.

New owners at Northface for Units #33, 9 and #4 (co-owner) were then introduced.

Board has been pleased this year with the management of Gribbel, Wason & Jones. The management company has now been purchased by Northern Woods and is owned by Al Landano at the same address, Telephone number is 603-447-6321. Rich Pino is the person we should call for any maintenance problems.

Brenda proceeded to tell the owners the good news about our condo--The trees which were planted last year have taken. Flowers were planted in the Spring and benches have been added near the pool area. The Christmas wreaths are in place again. The thimbels in the units have been checked and all are safe. The glass has been repaired in the Strafford building. The foundation

cracks have been sealed in the storage areas. There has been installation of safer lighting on the stairways.

Al Landano stated the cost to the condo association of a financial audit is in the \$4,000-6000 range. At this time the association cannot afford this expense. Owner Gormley did an audit but could not fully complete it. His report on the status of his examination of the books was read by Morrison. After examining the accounts, it was his conclusion that Brenda and Dennis prepared careful bookkeeping each month. It is his opinion that the records kept during the period in question were adequately recorded together with all the receipts and disbursements of the association. Considering they had no bookkeeping experience they did very good job. Gormley stated in his letter this was just a review of the books and not an audit. If this is not adequate for the board members, then we can have an audit. The Management Company is currently keeping records. If anyone is interested in helping with an audit committee, we would like you to volunteer. As in the past, we are asking for anyone with expertise in any field, please come forward to offer your assistance. It is greatly appreciated. Frank Hoggs would like to see three people meet once a year to audit the records. It is important that the audit report is drafted and given to the President so that the unit owners can get a report. The audit should include compliance with our By-laws to be sure that there is compliance with controls as to who is approving what. Dennis Demaris of Unit #31 offered to be chairman of this committee. If our year ends November 30 it would be impossible to cannot get an audit done by December. Al Landano closes books on November 15 to get figures together for our annual meeting. Ralph Morrison and John Simpson offered to be on the committee to help with the audit. The Treasurer's Report is included in the handout given to the unit owners who were present. Miscellaneous interest income from checking account was discussed.

Chimneys are inspected each year and cleaned if required. Each unit owner is responsible for having his stove cleaned. It was recommended that the septic system be cleaned this year. The Strafford building was done this past year. Three bids go out annually on all services over a certain sum. Responsibility for the plowing of the Strafford building was discussed.

The current financial status was discussed and approximately \$7,000 is uncollected at this time. \$8,000 was taken out of our money market and placed in a certificate of deposit leaving \$3,000 available for repairs. \$2,000 is needed to repair storage bins in building #4. Buildings will need paint jobs and will be in the \$28,000 to \$35,000 range. It is planned to stagger the staining of the buildings. Also over the next 5-10 years the following repairs will have to be considered: tennis court repair, pool repair, and repaving road. As of today, in reserve we have \$7,534.67. Any structural problems will have to be taken care of. It was again reminded that the stairs in front of buildings 2 and 3 are for fire escape purposes only. Trash should be put in

plastic bags. Maintenance people are responsible for cleaning around the dumpster areas.

The Board notified the owners that there will have to be an increase in condo fees of \$12.00 making the total \$150.00 (including the loan repayment).

Discussion as to the use of grills. It was suggested that the grills should only be used in back of the buildings in the grassy area.

The venting of the dryers in the buildings was also discussed. Owners should not vent their own dryers. This will be taken care of as a priority matter.

Frank Hoggs spoke on the loan which is due June 30 (\$51,588). Board would like to have the owners' permission to renew this note at the same payment we are now making unless the interest rate changes. Assessment would have to continue after June if we renew the loan. If not, the owners would have to be assessed an additional \$1,174 to be paid before the first of June. The current rate is 12 1/2%. The bank has indicated they are willing to rewrite the note. Motion was made and seconded to renew the current outstanding note. It was unanimously voted to renew the current note.

Mr. Gormley (who could not be present) had an owner read a list of his concerns -- deficiency of financial records - should be up to date and accurate. We should consider other alternatives to rewriting of our loan, status report of litigation, believes interest of condo should be considered.

There is a vacancy on the board for a three year term. Brenda Curry McKeon was nominated to this term. Motion was made, seconded and unanimously voted in favor of the election of Brenda, who accepted this position.

The Board was thanked for its job in the past year.

Meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Sandie Swartz