

NORTHFACE CONDOMINIUMS ASSOCIATION

Minutes of the Annual Meeting

December 1, 1990

The annual meeting of the Northface Condominium Association was held on December 1, 1990 at the Red Jacket Motor Inn, North Conway.

The owners present were asked to sign in and the proxies received were certified. 24 units were represented. A quorum being met, the meeting was called to order at 1:20 p.m. by Frank Hogg, President.

Also present was Al Landano of Northern Woods Property Services and Steve Latici, Attorney for the Association in its lawsuit against the developer.

Proper notice of the meeting was certified by Mr. Landano. All owners were notified by certified mail. 42 owners signed for their notices and 2 were returned to the management company as never picked up.

A motion was made, seconded, and carried to waive the reading of the minutes of the previous meeting.

Mr. Hogg announced that in a deviation from the agenda, Mr. Latici would report on the status of the Association's lawsuit against the developer of Northface.

Mr. Latici reported that progress has been slow. That the matters at hand are to be heard at two separate trials. Both trials are now scheduled for March, 1991. There have been real estate attachments placed against Joan Brassel and Alfred Sarro as investors in the development of Northface.

Regarding the insurance coverage, Aetna Insurance is denying coverage yet has offered a settlement of \$90,000 which is unsatisfactory considering the extent of damages. Mr. Latici is confident that a judgment as to Aetna's responsibility should be in either February or March 1991. In light of this fact, Aetna is now offering an increase in the settlement amount but the increased amount is unknown as of this date. Mr. Latici feels they will offer a settlement in the \$200,000. range.

The expert advice of a structural engineer, Tom Gore of North Conway, has been obtained. Mr. Gore has reported on the severity of the improper roof trusses and the serious liability to the Association should a heavy snowstorm occur and cause a roof to collapse. Mr. Gore is required by law to also report his findings to the Building Inspector in Conway. All Northface owners are also required by law to inform all prospective renters of the impending danger should a heavy snowfall cause a roof to collapse or be individually liable themselves. Aetna Insurance is aware of the problem and yet they take the position that if the problem was that severe the buildings should be shut down. The Building Inspector of Conway has sent the Northface Association a letter that he does have the authority to evacuate the building and shut the project down.

A question from Ralph Barry, #24, was directed to Mr. Latici that should the Bldg. Inspector evacuate the building, could restitution for the unit owners loss of use be added in the total claim. Mr. Latici responded that the risk is too great to take a "wait and see" approach. It would be more responsible and easier to have the necessary repairs done. A settlement with Aetna would then be easier because the Association would have the monetary value and proof of damages available.

To date, there are 96 repairs to be made in all 4 buildings (5 different types)

Mrs. Moore, #4, raised a question that should a unit owner have the resulting interior damages repaired, could these expenses be incorporated into the original claim. Mr. Laticci assured everyone that this could be done, but there is no guarantee that the expended unit owners' money would be recovered.

John Simpson, #11, asked the total dollar amount of the present suit. Mr. Laticci replied that the amount changes daily due to the discovery of additional problems but he expects it to be in the \$400,000 range.

Gary Keene, #18, questioned whether this amount also included funds for loss of value to property owners. Mr. Laticci responded that should the case go to a jury trial, a tremendous amount could be recovered, repairs would be made thus improving the value of the property.

John Simpson, #11, questioned the possibility of an appeal. Mr. Laticci is certain if the award is in Northface's favor, an appeal would be made. An appeal must be filed within 30 days and must be tried in the NH Supreme Court. It takes 6 months for the Supreme Court to accept a case and at least one year until it appears on the docket. However, interest at 10% is accumulating.

Mr. Laticci explained that the delay in court was due to the illness of the clerk in the Carroll County Courthouse. He has now been replaced.

Dennis McKeon, #2, questioned whether interest is an important factor. Mr. Laticci responded that the insurance company does not want to go to a jury trial. Should they offer a \$400,000 settlement, he would advise the Northface Association to accept. There being no further discussion regarding the suit, Mr. Laticci left the meeting.

Al Landano, Northern Woods Property Services, then gave the Treasurer's report. As of November 30, 1990, the financial situation is such:

208.21 Operating account
13,767.92 Reserve account
4,390.59 Moneymarket acct.
\$18,366.72 TOTAL

Loan Balance Due is \$29,648.62
Accounts Payable - \$3579.97
Outstanding Fees - \$17,746.27 (of which \$12,000 is owed by 3 owners)

The President's report was made by Frank Hogg. Mr. Hogg stated that due to the serious problem with the roof trusses, it is imperative that snow be removed from the roofs after each storm unless the trusses are repaired. The cost of clearing the snow would be about \$1000 per storm and it would take one day to clean a roof. The liability to each individual unit owner would be great. The master Insurance policy is only for \$2,000,000. Should a roof collapse, damage and personal injury could be much greater than that. The Board, therefore, is requesting the authority to borrow \$30,000 from unit owners to cover the cost of the roof truss repairs. The Board is also proposing an increase in monthly assessment fees of \$7.10 to pay off the notes.

Dennis Mckeon, #2, made a motion to give the authority to the Board of Directors to borrow the sum of \$30,000 at an interest rate of 12.5% per annum from individual members of the Association or from members of the Northern Woods Property Services. Ralph Gallo seconded the motion. The vote was postponed until the conclusion of the President's report.

Mr. Hogg then reported that delinquent assessments are an on-going problem. There is a shortfall of about \$600 per month. Therefore, the Board is requesting owners to please pay the fees every month. If paying in full is a difficulty, please pay something and not let the amount accumulate. 18% interest will be charged.

Mr. Hogg also reported that there is a recurring problem with the hot water tanks. Water meters were installed by the town last year and since that time, a number of owners have experienced problems with water leaks due to the pressure relief valves. Therefore, the Board is advising that the water tanks either be repaired in the area of the air reservoir or a bucket be kept under the valve. To insure no problem occurs in a vacant unit, please shut the hot water tank off every time the unit is empty for a period of time.

Various problems being experienced by individual owners were then discussed.

A thank you was extended to Ralph Morrison for spraying the trees for gypsy moths.

Icy, dangerous driveways are another on-going problem. If a driveway is slippery and dangerous, please call Northern Woods and they will sand.

The discussion then returned to the motion regarding the roof trusses previously made. Questions were raised regarding the following:

- a. The requirement in NH laws to have a reserve acct. (No requirement)
- b. When roof truss work would be done. (After the first of 1991)
- c. How work will proceed. (Every other bldg. - one bldg. per week)

A vote was then taken on the motion and the motion passed 23-0.

Dick Goulden, #33, then made a motion to have a one time assessment of \$60 instead of the \$5 per month increase. The motion was seconded and a vote taken. The motion was defeated 22-1.

The proposed budget for 1991 was then presented by Al Landano (copy attached). Questions regarding interior maintenance and insurance claims were raised. A motion was made and seconded to accept the budget as proposed. The budget was accepted 23-0

Mr. Hogg then asked for 6 volunteers to loan the Association the money for the roof trusses. Interested parties should contact Frank Hogg or Al Landano within one week with a commitment.

A question was asked regarding the legal fees for the lawsuit. Mr. Hogg reported that the fees are 30% if the case goes to court and 25% if we settle. The loan at Banceast will be paid off on June 30, 1992.

Al Landano then gave the management company's report. (Copy Attached) A request was made to have a light installed by the Town at the end of the driveway. Mr. Landano will research it.

There being no further business, the meeting adjourned at 3:30 p.m.

Respectfully submitted,
Karen A. Bellucci
Karen A. Bellucci
Unit 23

MANAGEMENT REPORT

NORTHFACE CONDOMINIUM ASSOCIATION

DECEMBER 1, 1990

The management operations and maintenance of the condominium common areas during 1990 offered some operational issues. The area of most concern being addressed is the maintenance and repair of all roof trusses and foundations which Frank Hogg and Steve Latici will review in detail during the meeting.

During the past several months these are some issues that have been addressed: 1. Building #1 has been repaired with a new support system, 2. Septic tanks for building #1 and #4 have been pumped, 3. Post and rail fence has been installed in front of building #4, 4. The Strafford building stairs have been repaired and painted on both the front and back, water shut-offs were repaired, 5. Buildings #1 and #4 have been painted on the North side with the South side scheduled for this Spring, 6. Strafford building trim has been painted, 7. All major leaks in building #4 have been repaired, 8. Christmas wreaths will be installed the first week in December.

The expense budget recommendations for 1991 indicate a \$4.82 increase over 1990.

Al Landano