

NORTHFACE RESORT, A CONDOMINIUM AT WOODLAND HILLS

North Conway, New Hampshire

September 5, 2002

Dear Northface Owner:

Enclosed you will find information regarding the change in management for the Northface Resort Condominium Association.

The Executive Board of the Association made the decision regarding the change in a measure to save on expenses for the Association. The decision made was also based on the feedback received from unit owners at the November 2001 annual owners meeting and on complaints of total dissatisfaction with our present management firm subsequently received from unit owners and the Association's sub-contractors.

Over the past years, the Executive Board has been taking on more and more responsibility (both daily and on major projects); yet the monthly management fee paid to Northern Woods Property Services has increased. The Board members assumed more work partly to eliminate any surcharges expected by Northern Woods; and because the Association's finances needed constant monitoring to insure payments made from the Association's account were correct. More and more, it was felt that the Association's money was not being well spent.

The Northface Resort Condominium Association will now be considered self-managed with the Executive Board assuming responsibility for all aspects. To assist the Board with daily tasks such as telephone calls, correspondence, collection of monthly fees, preparation of payments, etc., the services of **SELECTIVE PROPERTY MANAGEMENT** in RI were retained.

Karen Bellucci, who is an owner at Northface, is also the owner of Selective Property Management (SPM) and has been in the property management field for over 17 years.

For the past 10 years or so, Karen has also served on the Northface Executive Board, with most of those years as President of the Association. When the decision-making process regarding management began, including the interviewing of other property management firms, Karen's professional input was invaluable and non-biased; and when the Board began to consider the concept of self-management, Karen willingly recused herself from any vote on the topic to avoid any impression of conflict or collusion.

In considering self-management, there were several concerns; one was the daily administrative tasks such as phone calls and monthly fee collections. The other concern was 24-hour emergency service.

To resolve these concerns, the Board approached Karen about the possibility of this work being done by her firm. Karen submitted a proposal to the Board, which was considerably lower than the Association is presently paying. Karen then assisted the Board in securing someone local who would be able to respond to emergency situations at Northface on a 24-hour basis.

Selective Property Management ("SPM") maintains a 24-hour answering service and this firm would be the one to receive the emergency calls from Northface unit owners. SPM would then contact the local person in North Conway for emergencies. For general situations, the local emergency contact person will be Joe Carpine, Sr., who lives on Artist Falls Rd. and also maintains a toll-free telephone number.

With these two concerns allayed, the remaining Executive Board members (Tony Almeida, Paul Gagnon, Bob Lang, Dave Bridgwood, and Jim Rozzell) met and made a decision to retain Selective Property Management and Joe Carpine Sr. upon the expiration of the current management contract with NWPS (9/30/02). The change will result in automatic savings of over \$3000/year for the Association and even more savings could be realized under SPM's and Joe Carpine's expertise.

Upon notification, Karen resigned as President of the Association and relinquished her seat on the Board effective 9/21/02. Jim Rozzell, who is presently serving as an alternate on the Board, will assume Karen's seat on the Board. The Board will then elect officers at their meeting on September 21, 2002.

The Executive Board is very pleased with these changes and hope you are also. As always, the Executive's Board is working diligently to serve all Northface owners and to protect your investment as best as possible.

Sincerely,

Executive Board
Northface Resort Condominium Association

EB-NFRCA/KB

Northface Resort Condominium Association Executive Board

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