

NORTHFACE RESORT, A CONDOMINIUM AT WOODLAND HILLS

North Conway, New Hampshire

February 11, 2005

Dear Northface Unit Owner:

A special owner's meeting of the Northface Resort Condominium Association will be held on Saturday, March 5, 2005, at 10:00 a.m. at the Gibson Center, Main Street, North Conway, New Hampshire.

The purpose of the meeting is to discuss and vote upon a multi-year capital improvement plan for the projects facing the Association, as discussed and requested at the annual owners meeting in November 2004. A copy of the two proposed plans are enclosed for your review and consideration prior to the meeting.

→ PAINT, VINYL

In order to vote on any item that may come before the Association, a unit owner must be in good standing with the Northface Resort Condominium Association. As provided by the condominium documents, in order to be considered in good standing, all monies owed to the Association must be paid in full at least 3 days prior to the meeting date.

We encourage you to make every effort to attend this meeting as this is a unit owner's opportunity to be heard. Should you be unable to attend, a proxy statement is also enclosed for your completion and return.

We look forward to seeing everyone there.

Sincerely,

Executive Board
Northface Resort Condominiums

EB-NFCA/hc
Enclosures:
Proxy Statement
Capital Improvements (Painting and Vinyl)

→ ECHO BUILDING

3#2 →

- AS LONG AS WE HANDLED WITH
ETC

→ NEED TO MAINTAIN

PAT IS PLEASED) CATIONS
EVERY YR; DO EVERY

EVERY
MAY

BUILDING SUPERVISOR UNIT AL

1999 - LAST MANDATE → TO PUT
IN HANDLING

7#8 CALL TO POINT WITH VANDER

PLASMAN

NORTHFACE RESORT CONDOMINIUM ASSOCIATION
THREE YEAR CAPITAL IMPROVEMENT PLAN (with Painting Program)

HAROLD PLANK - CONDO #1175
37%
MAYE
EXPERIENCE

\$292

	2005 (current)	2006	2007	2008
RESERVE ACCOUNT:				
Reserve Opening Balance	\$65,361.59	\$22,900.00	\$51,900.00	\$69,900.00
Projected Annual Reserve Deposit	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00
Reserve Replacement	\$0.00	\$57,000.00	\$0.00	\$0.00
Less Structural Repairs - Bldg. 3	-\$8,000.00	\$0.00	\$0.00	\$0.00
Less Roof Replacement Expense	0.00	(\$46,000.00)	\$0.00	-\$44,000.00
RESERVE BALANCE as of 12/31	\$75,361.59	\$51,900.00	\$69,900.00	\$43,900.00
REQUIRED CAPITAL EXPENSES:				
Alarm System Mandated Upgrades	\$0.00	\$0.00	-\$73,000.00	\$0.00
Garden Timber Replacement Project	\$0.00	\$1,500.00	\$0.00	\$0.00
Re-painting Project	\$133,500.00	\$4,500.00	\$0.00	\$0.00
Asphalt Sealcoating/Crackfilling	\$0.00	\$9,500.00	\$0.00	\$0.00
Reserve Account Replacement	\$ -	\$ 57,000.00	\$ -	0.0
TOTAL REQUIRED CAPITAL EXPENSES	\$133,500.00	\$72,500.00	\$73,000.00	\$0.00
(Less Reserve Usage)	(\$57,000.00)	\$0.00	\$0.00	\$0.00
Annual Spec. Assessment per ut.	1740*	\$1,650.00	\$1,656.00	\$0.00
Mthly Special Assessment Payment	217.50*	\$137.50	\$138.00	

144 → 10,300 → 20,600
243 → 14,000 → 28,000
⇒ PAINT JOB SHOULD LAST 10 YRS
1 JUN 07

\$61,500

75

156

46. special assessment over 3 years
*partial year collection (8 mos. Only)

COMMENTARY - The above plan will allow:

1. The monthly fees to remain at \$165 through 2006 (Future increases will be dependent on expenses such as insurance/utilities)
2. A new fire safety code-approved alarm system installed in all 5 bldgs.
3. All 5 buildings to be painted with major wood replacement
4. The roofs on all 5 buildings to have been replaced
5. The garden timbers to have been replaced
6. The asphalt to be preserved as preventative maintenance (twice per a 5 year program)
7. Most importantly, a considerable reserve account will be maintained.

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

THREE YEAR CAPITAL IMPROVEMENT PLAN (with Vinyl Siding)

	2005 (current)	2006	2007	2008
RESERVE ACCOUNT:				
Reserve Opening Balance	\$65,361.00	\$55,361.00	\$27,361.00	\$45,361.00
Projected Annual Reserve Deposit	18,000.00	18,000.00	18,000.00	\$18,000.00
Reserve Replacement	\$0.00	\$0.00	\$0.00	\$0.00
Less Structural Repairs - Bldg. 3	-\$8,000.00			
Less Roof Replacement Expense	0.00	-46,000.00	\$0.00	-44,000.00
RESERVE BALANCE as of 12/31	\$75,361.00	\$27,361.00	\$45,361.00	\$19,361.00
REQUIRED CAPITAL EXPENSES:				
Alarm System Mandated Upgrades	\$0.00	\$0.00	\$73,000.00	\$0.00
Garden Timber Replacement	\$0.00	\$1,500.00	\$0.00	\$0.00
Vinyl Siding Project	Bldgs 1 & 2 \$82,500.	Bldgs 3 & 4 \$82,500.	\$0.00	\$0.00
Asphalt Sealcoating/Crackfilling	\$0.00	\$0.00	\$9,500.00	\$0.00
Painting	Decks & Stairs \$10,000.	Decks/Stairs \$10,000	Stratford \$10,000.	\$0.00
Reserve Account Replacement	\$ -	\$ -	\$ -	\$ -
TOTAL REQUIRED CAPITAL EXPENSE	\$92,500.00	\$94,000.00	\$92,500.00	\$0.00
Less Reserve Usage	(\$20,000.00)	\$0.00	\$0.00	\$0.00
Annual Spec. Assessment per ut.	1648.00*	\$2,136.00	\$2,102.00	\$0.00
Monthly Special Assessment Payment	206.00*	\$178.00	\$175.00	\$0.00

\$5886. special assessment over 3 years

*partial year collection (8 mos. only)

COMMENTARY - The above plan will allow:

1. The monthly fees to remain at \$165 through 2006 (Future increases will be dependent on expenses such as insurance/utilities)
2. A new fire safety code-approved alarm system installed in all 5 bldgs.
3. Four buildings to be vinyl-sided to be maintenance-free and the Stratford Bldg. to be painted
4. The roofs on all 5 buildings to have been replaced
5. On-going wood replacement will be eliminated for the trim boards, casings, fascia boards, etc.
6. The garden timber to have been replaced
7. The asphalt to be preserved as preventative maintenance
8. Most importantly, there will still be a reserve account with all major improvements completed.