

NORTHFACE CONDOMINIUM ASSOCIATION

**C/o Selective Property Management
P.O. Box 299, Greenville RI 02828
(401) 231-8588**

August 3, 2006

Dear Northface Unit Owner:

There seems to be a considerable amount of confusion as to the operation of the Northface Resort Condominium Association. In the past few years, basically since the buildings were repainted, this confusion has developed into unfounded criticisms, accusations and hostility toward the Board and management. The unity and overall pleasantness that once existed and made Northface such a great place to own and live is dissipating. The time for the Board to respond to these "rumblings" is long overdue.

We, the Board Members, realize that this is a lengthy letter; but feel that it is necessary to adequately explain the recent occurrences and to resolve hostilities. We appreciate your reading it through.

To begin, when the Northface Executive Board made the decision to cancel the contract with Northern Woods Property Management several years ago and have Northface Resort Condominium Association become a self-managed one, a lot of thought and consideration went into the decision beforehand.

To insure that the Northface Resort Condominium Association continued to function as a business, the Board Members asked Karen Bellucci to assist them in managing the property because Karen has over 20 years experience in the property management field, owns Selective Property Management (SPM) in RI, and was also the President of NFRCA for many years.

The contract with SPM is for administrative duties only, which is to collect our monthly fees, maintain the Association's operating checkbook, prepare monthly financial reports, process the correspondence, and assist the Board in preparing the annual budget.

When the self-management decision was made, there was the concern of emergency situations in common areas, which is the Board's domain. As a result, Joe Carpine was retained until it was learned that such a position required someone who was insured for liability and workers comp. Joe was not. Thus Mike Lynch was retained. Over the years, the Board has re-negotiated the job description and pay rate for this position to better serve the Association.

The Executive Board is in charge of soliciting bids, writing specifications for projects, overseeing projects, and maintaining the Association's capital reserve accounts along with enforcing the rules.

SPM attends the Board meetings; and because of her experience, Karen advises the Board and assists them with writing specs, contacting subcontractors for the Board, etc. However, all of the ultimate decisions are made by the Board following a majority vote of Board Members.

In the instance of the painting project, the Board appointed a subcommittee to assist in color selection. Somehow, this was misconstrued into the opinion that the subcommittee had the final decision, which was not the case. Because of this misconception, the Board did the only democratic thing and had the color choice made by the ownership by a ballot vote. At no time during this project did Board Members or SPM try to influence anyone's decision despite what some owners tried to portray.

As part of their duties and responsibilities, the Board, throughout these years, has solicited bids for projects (siding replacement, roofing, garden timber replacement, landscaping, trash removal, snow removal, etc), met as a group, and made decisions, which were thought to be in the best interests of the Association.

One has to realize that the Northface buildings are 20 years old now and that when buildings need more maintenance as they age. Also, the cost of labor AND materials have also increased, especially materials, because of the fuel costs.

Buildings 1 and 2 were roofed by a firm from Somersworth, NH. In the interim, a decision to extend the soffits was made to protect the siding on the buildings and reduce the rain on the decks/patios. Because of this change, the Board put the roof replacement project out to bid again. The Somersworth roofing firm did not respond to the new RFP and it is felt that they knew they could no longer be competitive with local firms because of the travel time and expense they would experience. Cameron Builders was selected to roof Buildings 3 and 4 based on excellent references and the excellent experience the Board had with this firm replacing the clapboard siding on Buildings 1 through 4 last year.

The problem that occurred with the roofs this Summer was agreeably very unfortunate; and admittedly, avoidable. But that is an argument for the Association's master insurance carrier to make with the contractor's insurance carrier.

The Association, and especially the 12 effected units, should be grateful that the Bellucci's happened to be at their unit at Northface the weekend of 7/22-7/23, when all "hell" broke loose. Karen immediately jumped into action working with and at the mandates of the North Conway Fire Chief. She has continued to remain on top of the entire situation for the Board and as a favor to the Association, again because she is the one most familiar with such matters; and because we are, first and foremost, her neighbors.

Throughout the past two weeks, SPM has kept members of the Board immediately informed of all of the contact she's had with insurance adjusters, unit owners, the restoration firm (Dura Clean), the roofer and his adjuster, and now the contractor selected by the Board and the Association's insurance adjuster to do the reconstruction work. On behalf of the Association and the effected unit owners, the Bellucci's returned to North Conway last weekend again to meet adjusters, contractors, the roofer, etc. Karen has patiently listened to the tirades of unit owners, taken a lot of verbal abuse, and even received threats of lawsuits against her company and against her and Tony personally! At this point, Karen is considering terminating her firm's relationship with Northface Resort Condominium Association. She doesn't need the aggravation, especially when she is at Northface. Her condo is her "get away" like it is for all of us; yet we are all guilty over the years of intruding, either by phone calls or in person, on hers and Tony's private time without a thought otherwise.

The Northface Executive Board Members have also been barraged with owner's tirades, criticisms, and total disrespect, over the past two weeks.

As with all projects at Northface, the Board Members have been monitoring the roof project. Since the project was finally able to be started in July, there has been a Board Member on-site every week at their own expense. In addition, either at a meeting or in telephone calls for which they do not charge the Association, the Board issues payments for the project and decides on any change orders.

However, as owners, we each have an element of responsibility at Northface as well. In the instance of the roof leak, the 12 effected unit owners had a responsibility to inspect their units and personal belongings for damage, to contact the homeowner's insurance agent, to meet the homeowner's adjuster at that unit, to act respectfully and appreciatively to the Bellucci's and the Board. This has NOT been the case at all. Karen did not have to find alternate housing for unit owners or renters that evening. That was the unit owner involved's responsibility. She did not have to speak to any owners or adjusters since then, or become involved at all. She did what she did for us, the entire Association.

With regard to any reconstruction work in the effected units, the Association has to adhere to the allowances and mandates of the master insurance carrier. The Board, or Association, cannot demand to have walls, carpeting, ceilings, windows removed/replaced or any other work done that the professionals deem as unnecessary or unwarranted and expect the insurance company to cover the costs.

The Board, or the Association, cannot demand air quality tests or mold remediation at the carrier's expense if the professionals state it is not necessary. The Board, or the Association, cannot retain a contractor or begin reconstruction work, without the insurance carriers' prior authorization. The Board, or management, cannot guarantee an actual date for completion of the reconstruction work. There are procedures that must be followed and the Board is following them.

For any owner who is insistent on mold/air quality testing or additional demolition/reconstruction not afforded by the master insurance policy in this claim, you should contact your homeowner's policy or make arrangements to bear the costs yourself.

Other areas, with which the Northface Board has been dealing simultaneously with the roof and the roof leaking/insurance claim issue, are:

- 1.) **The Pool** Somehow a line that services the skimmers of the pool has failed and had to be disconnected. It is unsure at this time if the soil that is under this line and under the concrete pool "skirting" has eroded but the concrete pad has sunk. To correct, the concrete has to be dug up, a new line installed, new concrete, and a new pool liner installed. The Board is obtaining estimates now.
- 2.) **Stratford Building** This building was due to be painted this year; however, professionals have determined that the existing siding has exceeded its lifespan and is quickly deteriorating. The Board is obtaining quotes on siding replacement for 2007.
- 3.) **Rule Violations** At the 11/05 owners meeting, considerable time was spent by the ownership on rule violations, especially dogs and items hanging on the building or decks. The Board was instructed by the ownership to strictly enforce the rules; which they are trying to do with little cooperation and a lot of criticism and verbal abuse from the violators.
- 4.) **Miscellaneous** Garden timber replacement/retaining wall replacement/Stratford building exterior repairs/shrub trimming. All of this work is afforded by the 2006 special assessment and/or budget; however, because of rain/excessive heat etc., the work has been repeatedly delayed.
- 5.) **Criticism from owners** over the special assessments for the past two years. In 11/04, a 3-year plan that included the 4 roofs, crackfilling and seal coating the asphalt, painting the 5 buildings, replacing the garden timbers and installing mulch was approved by the Northface ownership. At the time, the Northface Executive Board assured the owners that costs of the projects would be multiple bidded and that the annual special assessment for each of the 3 years would be re-visited each year to determine the actual amount necessary each year. For some reason, owners have "forgotten" this; and the fact that there will be a special assessment again in 2007. Originally, it was hoped that the 2007 special assessment would be nominal; but now with having to re-side the Stratford Building and correct the pool issues, a nominal special assessment may not be possible.

Everyone has to remember that Northface Resort is a condominium development; not an apartment complex. There is no one person who owns the entire property and runs the entire operation. Northface Resort is a group of 44 owners governed by the Northface Condo Docs and New Hampshire Laws. Five owners, amongst them, then volunteer to serve as The Executive Board. Even though we're volunteers, we expend A LOT of our personal time with phone calls, emails, and trips to North Conway **at our own expense** for Board meetings and to meet contractors to insure all of our investments are protected as best as possible and at all costs. However, Northface is our "get away" also, as it is YOURS! Please respect that!!!

If you see yourself herein, so be it. Instead of criticizing, become constructively involved. Help, don't hinder!

Sincerely,

NORTHFACE RESORT EXECUTIVE BOARD

NFRCA-EX. BD/cb

8/03/06