NORTHFACE RESORT, A CONDOMINIUM AT WOODLAND HILLS

North Conway, New Hampshire

ANNUAL OWNERS MEETING --- November 11, 2006

AGENDA

1. Roll Call
2. Recitation of Proof of Notice of Meeting (Certify Proxies)
3. Reading of Minutes of Previous Meeting
4. Reports of Officers/Executive Board:
   a. President's Report
      1) Introductions
      2) Update
   b. Treasurer's Report
   c. Presentation of 2007 Budget and Adoption
5. Unfinished Business:
   a. Special Assessment 2006 7 2007
   b. Roofing—Insurance Claim
6. New Business
7. Election of Three Directors for 3 year terms
8. Adjournment

NORTHFACE RESORT
A CONDOMINIUM AT WOODLAND HILLS
North Conway, New Hampshire

MINUTES OF THE ANNUAL OWNER'S MEETING --- November 12, 2005

The annual meeting for all owners of units of the Northface Resort, A Condominium at Woodland Hills, was held on Saturday, November 12, 2005, at the Gibson Senior Center in North Conway, NH. Twenty-nine units were represented either by presence or proxy statement. Anthony Almeida, President, called the meeting to order at 10:10 a.m., by introducing the Board members, management, and new owners in attendance (units 13 & 34).

Proof of notice of the meeting was certified by Karen Bellucci, representing management.

Tony Almeida gave a brief re-cap of the past year and thanked the Painting Color Committee for their assistance.

The minutes of the previous meeting had been distributed so a motion was made by Dennis Baribeault and seconded by Michael Smither to waive the reading. The motion carried.

Dave Bridgwood then gave the Treasurer's report noting there was as of 10-31-05: $5825.09 in operating; $19420.50 in reserves; $3173.62 in the special assessment account; $9737.50 yet to collect in special assessment monies.

The budget for 2006 was reviewed by Karen Bellucci. There were no questions. The monthly fee will be increased to $175 per month per unit effective 1/1/06.

Paul Gagnon, as Vice President, reviewed the Capital Improvement Plans for 2006 and 2007. There were no questions or objections. The special assessment for 2006 will be $1835.00 per unit. A credit of $100.00 off the special assessment total will be given to any owner who pays in full by 1/10/06. Payment options will be paid-in-full; quarterly payments of $458.75 due on 1/1/06, 4/1/06, 7/1/06, and 10/1/06; or monthly installments of $153.00 due on the first of each month. The long-standing policy will be in effect that all payments are due on the first; and if not paid by the 10th of a month, will be subject to a late charge of $25 per month.

Under new business, Karen reported on the issues with the chimneys and the involvement of the North Conway Fire Department. There are 10 units who cannot use their woodstoves until the reported problems (cracks) are repaired. Those units who have stovepipe issues can use the stoves on a limited basis. The Association will have the necessary repairs to the stovepipes done and bill the unit owner since it is a unit owner's responsibility. The billing will be on the next monthly Association invoice following the work being completed.

Other issues discussed under new business were the shutting off of the lights in the basement of Buildings 3 & 4, screen replacement, closing garage and basement doors, and parking at Building 4.

At this time, the issue of rules, enforcement, and fines was discussed. A number of owners were dissatisfied that the rules regarding the renters' bringing dogs to the property, owners with dogs not adhering to the pet rules, hanging planters, birdfeeders, and decorative personal items in common and limited areas. Discussion ensued. A motion was made to have an attorney incorporate the rules as by-laws. The motion was seconded and then rescinded.

A motion was then made to establish a policy that no personal items, with the exception of a decorative holiday/seasonal wreath and welcome plaque at the entrance door can be affixed to the building. In addition, no personal or decorative items can be kept, stored, or placed in the common or limited common areas (i.e. decks, patios, staircases, landings, etc.) This motion is to include the prohibition of all types of affixed birdfeeders, affixed hanging plants, and window/rail planters. The motion was seconded and carried.

Another motion was made to increase the fine for dog/pet violations to an automatic $100 per occurrence. The motion was seconded and discussion ensued. The motion carried 22-7.

The rules/policies are to be updated published to every owner for use and pos in units. The new policies are effective immediately and will also be published on the Association's website.

The election of one director for the Executive Board was next on the agenda. Al Psilopoulos had agreed to serve again. Nominations from the floor were requested. There being none forthcoming, the Secretary cast one vote for all to elect Al.

Their being no further business, the meeting was adjourned.

Respectfully submitted,

Karen A. Bellucci

Karen A. Bellucci
Managing Agent
Northface Resort Condominiums

KAB/hm
Enc.

NORTHFACE RESORT CONDOMINIUMS
INCOME AND EXPENSE SUMMARY
October 31, 2006

RECEIPTS:

		Oct-06	Y-T-D
01	Monthly Condo Fees	9,260.00	78,806.00
02	Late Charges	25.00	1,105.00
03	Ret'd Checks	0.00	-182.00
04	Reimbursements		
	--Bank Error	0.00	50.96
	--NSF payment	0.00	7.00
	--Desmarias Return	0.00	4,286.70
	--Reimb. Fryeburg Pool	0.00	603.00
	-Resale Cert. due SPM	0.00	125.00
	-Stovepipe Repairs	0.00	110.00
	-Dog fine	0.00	250.00
	--Insurance Claim 7/06	0.00	47,913.92
05	Special Assessments	5,036.00	63,023.00
06	Bal. from Prev. Year	0.00	26,412.18
07	Transf. From Reserves	0.00	0.00
08	Transf. From Savings	5,000.00	74,240.00
TOTAL RECEIPTS:		**19,321.00**	**296,750.76**

DISBURSEMENTS:

		Oct-06	Y-T-D	BUDGET	BALANCE
10	Management	836.00	8,360.00	10,032.00	1,672.00
11	Office Expenses	69.41	940.44	900.00	-40.44
12	Bank Charges	0.00	0.00	0.00	0.00
13	Taxes -- Corp	0.00	0.00	0.00	0.00
14	Accounting	400.00	800.00	500.00	-300.00
15	Legal	0.00	323.42	100.00	-223.42
16	Insurance	0.00	11,875.75	15,500.00	3,624.25
17	Electric	227.00	1,692.50	2,300.00	607.50
18	Alarm/Security System	157.54	1,291.09	2,700.00	1,408.91
19	Water	474.00	853.00	800.00	-53.00
20	Trash Removal	378.65	3,666.72	4,320.00	653.28
21	Landscaping/Grounds Maint	7,659.00	15,057.17	13,600.00	-1,457.17
22	Snow Removal	0.00	7,666.64	12,700.00	5,033.36
23	Pool/Tennis Expense	0.00	8,792.96	3,000.00	-5,792.96
24	Maintenance	1,500.00	2,950.00	3,398.00	448.00
25	Contingency	72.00	72.00	100.00	28.00
26	Chimney Cleaning & Repair	0.00	0.00	2,000.00	2,000.00
27	24Hr, Emergency Service	0.00	900.00	1,800.00	900.00
28	Bldg Sprinkler Testing	0.00	0.00	500.00	500.00
29	Annual Meeting Exp	0.00	0.00	150.00	150.00
30	Reimbursements	0.00	301.27	0.00	-301.27
	Sub-Total Expenses	**11,773.60**	**65,542.96**	**74,400.00**	**8,857.04**
31	Insurance Claim 7/06	30,000.00	48,000.00	0.00	-48,000.00
35	Capital Improvements	5,000.00	75,718.19	0.00	-75,718.19
40	Reserve Transfer	1,500.00	15,000.00	18,000.00	3,000.00
41	S/A Savings Transfer	5,036.00	79,804.50		-79,804.50
TOTAL DISBURSEMENTS		**53,309.60**	**284,065.65**	**92,400.00**	**-191,665.65**
NET CHANGE IN CASH:		**-33,988.60**	**12,685.11**		
BEGINNING CASH BALANCE:		**46,673.71**			
ENDING CASH BALANCE:		**12,685.11**	**12,685.11**		

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

SAVINGS REPORT

October 31, 2006

	Oct-06	Y-T-D
T. Rowe Price		
Savings Account:		
Opening Balance		22,557.66
Deposits	1,500.00	15,000.00
Withdrawals	0.00	0.00
Interest	0.00	1,010.35
TOTAL	**1,500.00**	**38,568.01**

	Oct-06	Y-T-D
Citizens Money Market		
Savings Account:		
Opening Balance		3,177.07
Deposits	5,036.00	79,804.50
Withdrawals	5,000.00	-74,240.00
Interest	3.41	203.39
TOTAL	**10,039.41**	**8,944.96**

NORTHFACE RESORT
A Condominium at Woodland Hills

2007 BUDGET

	2006 APPROVED	2006 ACTUAL (2 mos. Estimated)	**2007 APPROVED**
INCOME			
Association Fees	92,400.00	92,400.00	**92,400.00**
Other Income*	0.00	1,100.00	**0.00**
TOTAL INCOME	92,400.00	93,500.00	**92,400.00**
EXPENSES –			
Repairs & Maintenance			
Grounds Maintenance- (includes fertilization, roadway maint., flowers, mulch)	13,600.00	6,979.71	**12,900.00**
Pool/Tennis (includes open/close, chemicals, repairs, court maintenance)	3000.00	5,052.96	**3,000.00**
Snow Removal	12,700.00	11,500.00	**12,000.00**
Chimney Clng./Repairs	2,000.00	00.00	**2,000.00**
Maintenance	3,398.00	2,150.00	**2,500.00**
Total Repairs & Maint.	**34,698.00**	**31,197.14**	**32,400.00**
Operating Expenses			
24 Hr. Emergency Service	1,800.00	1,800.00	**1,800.00**
Electricity	2,300.00	2,081.50	**2,300.00**
Water	800.00	758.00	**800.00**
Insurance	15,500.00	16,837.00	**17,000.00**
Rubbish Removal	4,320.00	4,440.28	**4,650.00**
Bldg. Sprinkler Testing	500.00	500.00	**500.00**
Alarm/Sec. System	2,700.00	3,256.06	**3,068.00**
Total Operating Expense	**27,920.00**	**28,787.21**	**30,118.00**

	2006 APPROVED	2006 Actual (2 mos. estimated)	2007 Approved
Administrative Expenses			
Legal	100.00	0.00	**100.00**
Tax Return Prep	500.00	400.00	**500.00**
Management Fee	10,032.00	10,032.00	**10,032.00**
Annual Mtg. Expense	150.00	150.00	**150.00**
Office Expenses	900.00	1,156.79	**1,000.00**
Bank Charges	0.00	00.00	**00.00**
Corporate Taxes	0.00	00.00	**00.00**
Miscellaneous	100.00	00.00	**100.00**
Total Admin. Expenses	**11,782.00**	**9,401.17**	**11,882.00**
Reserve Account			
Monthly Transfers**	18,000.00	18,000.00	**18,000.00**
TOTAL EXPENSES	**92,400.00**	**87,385.52**	**$92,400.00**

2007 Association Fee Income Based on 44 Units @ $175.00 per month

($175.00 x 44 Units x 12 months = $92,400.00)

*Interest Income from Savings Accounts to be kept in the Savings Accounts – Actual other income reported represents monies collected from late charges and fines.

**Monthly Savings Transfer to be $1500.

NORTHFACE RESORT CONDOMINIUM ASSOCIATION

MULTI-YEAR CAPITA IPROVEMENT PLAN (Revised & Appr d 9-23-06)

	2005	2006	2007	2008
RESERVE ACCOUNT:		(current)		
Reserve Opening Balance **as of 1/01**	$65,361.59	$22,557.66	$42,057.66	$62,057.66
Projected Annual Reserve Deposit with interest	$18,000.00	$19,500.00	$20,000.00	$20,000.00
Reserve Replacement	$0.00	$0.00	$0.00	$0.00
Less Reserve Usage	$ (59,432.79)	$0.00	$0.00	$0.00
RESERVE BALANCE as of 12/31	**$23,928.80**	**$42,057.66**	**$62,057.66**	**$82,057.66**
REQUIRED CAPITAL EXPENSES:				
Pool Patio Resurfacing/Repairs/New Liner	$0.00	$6,500.00	$0.00	$0.00
Roof Replacement - Blg. 3 & 4	$0.00	$78,000.00	$0.00	$0.00
Structural Repairs - Blg. 3	$0.00	$0.00	$15,000.00	$0.00
Alarm System Mandated Upgrades	$0.00	$0.00	$0.00	$0.00
Garden Timber Replacement Project	$0.00	$0.00	$0.00	$0.00
Mulch-Materials & Installation	$0.00	$0.00	$0.00	$0.00
Tennis Court Painting	$0.00	$0.00	$1,500.00	$0.00
Re-painting Project/Stratford Siding	$127,992.79	$0.00	$28,000.00	$0.00
Asphalt Sealcoating/Crackfilling	$0.00	$0.00	$11,000.00	$0.00
Reserve Account Replacement	$0.00	$0.00	$0.00	$0.00
TOTAL REQUIRED CAPITAL EXPENSES	**$133,500.00**	**$84,500.00**	**$55,500.00**	**$0.00**
(Less Reserve Usage)	($51,432.79)	$0.00	$0.00	$0.00
Annual Spec. Assessment per ut.	**$1,740.00**	**$1,835.00**	**$1,260.00**	**$0.00**
Mthly Special Assessment Payment	**$217.50**	**$153.00**	**$105.00**	**$0.00**

TOTAL Special Assessment over 3 years -- $4835.

COMMENTARY - The above plan will allow:

1. 4 Buildings to be painted with major wood replacement and Stratford Building resided
2. The roofs on all 5 buildings to have been replaced
3. The garden timbers to have been replaced and mulch replaced out of operating funds
4. The asphalt to be preserved as preventative maintenance
5. Pool lines repaired/patio resurfaced/new liner
6. Tennis court painted
7. Blg. 3 settlement issues repaired
8. Most importantly, a considerable reserve account will be maintained.