

Minutes of the Annual Labor Day Meeting May 25, 2002

The Annual Meeting of the Mountain River East Condominium Association was held at the Thornton Elementary School for the purpose of informing, discussing and addressing the business of the Condo community.

Board members Michael Powers, Norm Vadenais, Tom Faulkner, Bill Porcello and Rich McDonald were present. No Management Company representative was able to attend. Attendance list of other owners attending is attached.

The meeting was called to order at 9:15 am. The agenda for the Meeting is attached for reference.

1. Mike Powers, President of the Association, welcomed the attendees and presented an overview of the past year. Over the past year, the exterior lights were all replaced, save for the maintenance garage which will be completed with the spare fixtures. The exterior lighting program replaced over 216 fixtures with new cast aluminum, fluorescent fixtures as well as replacement of the old wood mounting blocks with new PVC ones. The entire program cost was approximately \$23,000. Water damage was discovered in September 2001 at the rear of Building 4 and extensive repair work was done. This work was extended to portions of buildings #2-7. All decks on Buildings 2-7 were also retrofitted to leave a small linear gap along the exterior façade for drainage purposes. These exterior repairs amounted to almost \$28,000 in expenditures. These were the first major expenditures to the exterior facade. Buildings #1 and 8 will be looked at this summer and fall. Trim and façade painting was also done during the fall of 2001. Walkway paving was completed on Building #1 and started on Building #8.
2. The minutes of the 2001 Annual Meeting on last May 26th were reviewed. A motion to approve these Minutes was made and seconded. There was no discussion on the Minutes. The motion passed unanimously.
3. The Financial Report for the fiscal year ending March 31, 2002 was presented. Treasurer Tom Faulkner noted the above costs for water damage repairs, the lighting program, and the painting were all somewhat unexpected yearly expenses funded entirely by the reserve account. With the expenditure of these programs, the Reserve Account was down to \$47,000. Tom also noted to the Association that the present price of wood was too low and the Association was losing about 40 cents on every dollar for every bin stocked to unit owners. A motion for acceptance of the 2001-2002 Financial Report was made and seconded. There was no discussion. The 2001-2002 Financial Report was accepted unanimously.
4. Two options for the 2002-2003 Budget were presented. Budget 1 would maintain the reserve account yearly allocation of \$16,000 by increasing individual condo unit dues. The increase is necessary to offset increases in the management company fees (+\$4200) and Walter Bourque's fees (+\$3,240). Budget 2 would maintain status quo with a lesser allocation to the reserve account (\$8,000 vs. \$16,000). The Board recommended Budget 1, desiring to maintain a strong reserve fund to assure proper and continuing maintenance with minimal potential for special assessments. The Board also noted that the fee increases requested by the Management Company and Walter Bourque were reasonable and probably overdue as they are more than competitive with neighboring condo associations. Tom Faulkner made a motion for acceptance of Budget 1, which was seconded. There was no discussion. The Budget was accepted unanimously. Condo fee increases would be in accordance with the condo declarations. The new fee structure for the Association is attached as received after the Budget was approved. It is now consistent with the Condominium Declaration and By-Laws governing fee allocation by beneficial interest (unit Square Footage). Condo fees will also be paid on a quarterly basis, an option that minimized the management company's total increase.
5. Mike Powers presented the new web site for Mountain River East. The web site address is www.mtrivereast.net. It is expected that continuous refinement and use of this site could expedite communications between Owners, the Board and the Management Company.

6. Condominium improvements during the 2001-2002 Fiscal year included Jacuzzi and pool repairs, the aforementioned building repairs, replacement of all exterior lights, paving at buildings 1 and 8, exterior clapboard and trim painting, and tree trimming.
7. Norm Vadenais reviewed the present rules and regulations and recommended no major changes, only revisions, at this time. He noted that the recycling was no longer mandatory within the community and that trash disposal now used a dumpster centrally located. He noted that the Board received a lot of complaints. Several of the biggest complaints concerned dogs. Specifically, people not taking care of their dog droppings, not walking their dogs around the outer perimeter, and general responsibility for their barking or aggressiveness. Other complaints concerned snowmobile activities within 500 feet of the buildings and parking of snowmobiles on trailers in the lots. Snowmobile trailers should be parked up at the pump house if they are to be used over an extended period of time. Owners who rent should have the rules posted in the unit so that their renters will be familiar with them.
8. Norm also reviewed the forestry program and stated that the program continues to have the potential for future revenue. He was going to see if there was any more timber that could be harvested in case the Association needed emergency funds.
9. With Bill Porcello and Norm Vadenais leaving the board, there were openings for two new Directors for three-year terms. Nominations were received Tracy Thornton of Unit #49 and John Gray of Unit #78 to serve. A motion was made to accept both Tracy and John as new Directors and seconded. Their election was unanimous.
10. Rich MacDonald reviewed the Real estate sales history for the last few unit sales. The Sales history showed recent upswings in the values of units. The wide variances in sales prices reflected the condition of the units. The one-bedroom units ranged from \$35,000 to \$55,000 with the fall 2001 prices in the low to mid 50's. The two-bedroom units ranged from \$55,000 to \$70,000, with the recent pricing in the high 60's. The three bedroom G units ranged from \$65,000 to \$90,000 with the latest pricing in the mid 80's. The three bedroom G+ units ranged from \$75,000 to \$89,000 with the most recent of 4 sales being at \$89,000. Trend is definitely upward, especially with the building of higher priced units at Owls Nest and the Meadows.
11. Open forum discussion included the following items:
 - Parking is a real issue, particularly the number of available spaces at Building 5 during peak occupancy weekends or vacations. Each owner is allowed one space and all others should be parking away from the units. Some owners felt that there should be designated spots, but most owners did not want to see painted or striped spaces. Board suggested communication between the owners of the Building 5 units was a possible remedy.
 - One owner wanted to know if the trees that were cut down around the perimeter were going to be replaced. The board will look into the possibility.
 - The use of the pool by non-owners or their renters has become a large issue and one suggestion was made to have pool passes that must be present when you are in the pool area. The Board will take the matter under advisement and present a recommendation at the Labor Day pool meeting.
 - A question was raised as to the responsibility for the outside decks on units. The Board will look into who is responsible for the upkeep of the decks beyond Walter Bourque treating the untreated wood joists. It was noted for all present that any deck repair at this time was covered by the reserve fund. However, this is always subject to change due to the level of reserve. All repairs are our expense and are covered in the fee income. Only the sliding doors have been excluded from this philosophy and become the owner's responsibility.

- Several units (#'s 46, 64, and 78) noted that they sustained water damage around the first floor sliders in the living rooms. The Board will investigate and advise each owner of remedial action. A complete review of insurance both the umbrella Association policy and a separate condo policy (which everyone should have) will be done for the Labor Day Meeting.

12. The meeting was adjourned at 11:25 am.