

Minutes of the Annual Meeting May 25, 2003

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, Tom Faulkner, Rich MacDonald, John Gray and Traci Thornton were present. Herb Ingram was there to represent the Management Company. Twenty-Five unit owners were represented. Attendance list of owners attending is attached.

A coffee social preceded the meeting where old friends caught up on news from the winter and new owners had an opportunity to introduce themselves.

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

- 1. Welcome:** Mike Powers, President of the Association, welcomed the attendees and introduced the members of the board. Mike then presented an overview of the past year. He reported that condo finances were fairly good, although the board would like to see an increase in the Reserve Funds. In the past year, \$45,000 of reserve funds was allocated to repair some severe exterior water damage to several buildings. Minor repairs have been made to the swimming pool and the development overall looks excellent.
- 2. Approval of 2002 Annual Meeting Minutes:** The minutes of the 2002 Annual Meeting on last May 27th were reviewed. A motion to approve these Minutes was made and seconded. There was no discussion on the Minutes. The motion passed unanimously.
- 3. Review of Financial Report:** The Financial Report for the fiscal year ending March 31, 2003 was presented by Treasurer Tom Faulkner. Tom noted that there was a discrepancy between the actual condo fee income of \$131,862 and the annual budget of \$136,128. This difference of \$4,266 was due to the late change in the adjustment of condo fees to the quarterly schedule due to the Annual Meeting being three months into the fiscal year. The budgeted amounts were based on 12 months of new fees vs. actual 9 months. There was \$16,563 in unbudgeted expenses, which included repairs due to water infiltration, wood deliveries, initial web page design and set-up and painting. The reserve funds are down to \$51,891.27. The board expressed concern that the reserves have reached this level and will make a recommendation to the condominium association for the 2003-2004 budgets. There being no further discussion on the financials, a motion was made and seconded to accept the financial report as presented. The motion passed unanimously.
- 4. Proposed 2003-2004 Operating Budget:** Tom Faulkner then presented the Proposed 2003-2004 Operating Budget. Two options were presented. Option 1 would maintain the condo fees at their present rate. Option 2 reflected a roughly 3-1/2% increase in condo fees, which over the next three year projection would increase the reserve fund to a healthy \$80,000-\$100,000. The board met during the week prior to the meeting to discuss this fee issues and determined that Option 2, an increase in the condo fees, was the most prudent action to recommend to the owners. One owner questioned when the next forestry harvesting would occur since this was a source of money for the reserve funds. Norm Vadenais, former Chairman of the Forestry Committee, reported that potentially some harvesting could be done in 3 years. Another owner asked the board what they felt the next big expenditure would be. The response was the roads,

although President, Mike Powers commented that the roads were actually in very good shape for the age of the complex. (Herb Ingram did comment that the painting is a continuous cost which tends to rely on the Reserve Fund.) The purchase of new pool furniture was another expense, which the board acknowledged. \$1200 had been allocated for this purchase and actual cost to maintain same quality is closer to \$4,000. There was also discussion about separating the cost of the cable from the condo fees so that it more accurately reflected what the condo fees were. Currently the Association receives a bulk rate on the cable rate, but has also assumed responsibility for a \$5,000 - \$6,000 cable surcharge, which we absorbed last year. This added cost was due to an increase in our bulk cable rate last year of approximately \$5.50 per month per condo. Therefore, this year the Board recommended an addition \$10 surcharge per month for cable (only in fiscal 2003-2004) in order to make up this shortfall from last year. The new condo fees and the surcharge will be retroactively imposed for April, May, and June on the next quarterly payment. New condo fees are shown on the attached fee schedule. There was additional discussion as to whether the increase in condo fees proposed by the board was sufficient to restore the reserve funds to a healthy level. The board felt that it was. A motion was made and seconded to accept the Board's recommendation for Option 2 for the 2003-2004 Operating Budget. The budget passed unanimously.

5. Web Site/Newsletter/Communications: Mike Powers then addressed two new methods of communication that were implemented this year. The first was the resurrection of the original Condo Newsletter that was initiated by Gary Gurwitz, Unit #3 by Pat Powers. The purpose of the newsletter was to inform owners of the happenings at Mountain River East and to share tips, information and important safety reminders regarding heat, water, etc. The newsletter will be published twice a year and hopefully will include pictures of condo owners enjoying the many activities that our complex and area has to offer. Newsletter is currently compiled and edited by Pat Powers, Unit #8. The second addition to the communication link is the Mountain River East web site. The site's address is www.mtrivereast.net. Mike distributed a copy of the home page (attached for information) and reviewed the various menu selections. The financials are available, as well as the minutes of the last 2 years Annual Meetings and Labor Day Pool Meetings. In addition, the condo rules and regulations and declarations are available for review and information. However, Mike cautioned that these are not to be considered "legal" documents as they were scanned in. In addition to the newsletter and web page, the directors have developed a database to help track the maintenance of all the units. A sample copy of the database information was distributed (attached). It will ask for an emergency contact name and phone number, the owner's e-mail address, when the water heater was replaced, whether unit has alternative heating and what type, as well as whether slider, skylight or window replacements have been done.

6. Condominium Improvements: Herb Ingram informed the membership of the following improvements that were made over the past year:

- Clapboard and sheathing repairs were made to several buildings that experienced severe damage.
- The pool gate, which was too large for the fence, was adjusted so that it will close properly
- Minor repairs were made to the pool
- Trim Painting is an ongoing activity- Buildings 4 and 6 were done in 2001; Buildings 2 and 3 in 2002, Buildings 1,7, and 8 will be done this year

7. Sliders, Skylights, Windows and Storm Doors: Discussion then ensued regarding what the association is responsible for and what the owners are responsible for. We, as an Association, have chosen to fund Slider, Window and Skylight replacements or repairs on an individual Owner responsibility rather than raise condo fees to cover the expense of these items. The Declaration states that these items are the Association's responsibility, but as has been noted, we are the Association and funding of these items under an individual owner responsibility rather than in the fees has been validated in the last two annual meetings. Storm doors are also the responsibility of the owners since they were added at owner's discretion. However, storm doors that were manufactured by Larson Door Company have been identified as defective. There has been a recent survey of the storm doors in question and the Management Company will start a reinstallation program by informing all the owners affected by this warranty. The Ashland Lumber will replace the Larson door, however, the owner will be responsible for the installation cost. If there is a bulk order, the installation costs could be bundled for a reduced rate. All non-Larson storm doors, which require repair or replacement, are not included in this program and should be individually taken care of by the owner. Owners were reminded that the recommended replacement doors for sliders are Pella, Marvin, Andersen and Weathershield. No French type sliders are permitted and no grills are permitted as well, as they are not consistent with the style of the condominiums as directed in the Declarations. Any owners with window damage were asked to report this to the management company.

8. Condominium Signage Proposal: Rich MacDonald reported that signs are currently being made which will be displayed at the entrance of each building denoting the number of the building and the units. The signs will be made of pressure treated wood, 1' x 2', and approximately 6 feet tall. Signs will be placed for safety purposes, to assist emergency personnel in quickly identifying locations of units for response in emergency situations. Signage will also be helpful for renters/visitors. Members questioned whether the signs would have reflective paint so they are easily read in the dark. Another owner suggested that Walter be consulted as to the placement of signs so that they don't interfere with his plowing in the winter.

9. Sales History: A copy of the sales history of units at Mt. River East covering the years 1999-2003 was presented for review. Recent sales show a significant upswing in prices. Over the past 6 months a one-bedroom unit sold for \$79,900; two bedrooms ranged from \$82,000 - \$93,000; and 3 bedrooms are selling from \$115,000. The selling prices of condos and homes at Owl's Nest may be positively impacting the sales at Mountain River East. This is very encouraging to the owners and reflects the quality and upkeep of our development.

10. Election of Director: Mike Powers announced that he would be unable to complete the final year of his term on the board due to his acceptance of responsibilities as President Elect and President of the Massachusetts American Council of Consulting Engineers. Mike served three years from 1987-1989; he then fulfilled the final year of Gary Lannigan's term after Gary's sudden death, and has served these past 2 years. Nelson Mather submitted his name for consideration and was unanimously approved. Nelson has also served a 3-year term as director from 1987-1989. Welcome back, Nelson.

Open Forum:

Further discussion was held on issue of responsibility of owners versus the Condo Association. The condominium documents states that the exterior structure is the responsibility of the Condo Association. However, our 16-year practice and budgeting has dictated that these items need to be the responsibility of the owners, who are the association and are clearly areas where choice (repair/replace/upgrade) is critical

to funding. Although we have obtained an interpretation that provides us with a solid legal foundation on this matter, the group felt that the specific wording of the Declaration should be explored and changed to reflect the actual practice. In any case, if the Association members change the policy to incorporate these door and window replacements through our budget, a special assessment to account for the funding through the Association of exterior replacement work would be required along with back payments to those units who have already expended improvement monies on these items. Either way the owner pays. We believe that the current method is fair and reasonable.

One owner asked if trail maps were available to explore trails behind pump house. Norm Vadenais informed owners that trees have been marked with orange paint and that if owners take a right at the well they can follow the trail to the bridge. Norm also noted that the trees were marked in 1990 and denote the outskirts of our land. He suggested that they should probably be marked again this year or next year, otherwise we will have to have land re-surveyed.

Much discussion ensued concerning the time for closing the pool. Some owners wanted the time changed to 10:00 a.m. since they were concerned about the noise level that sometimes occurs. Others wanted it left at 11:00. Owners who arrive late on Friday nights expressed interest in going for a quick swim or Jacuzzi when they arrive and felt 10:00 closing was too early. One motion passed closing the pool at 10 pm. But after further difficult conversation, this motion was overturned. Suggestions were made to put a sign at the pool designating "Quiet Time" from 10:00 – 11:00. The issue was referred to the board to make final determination.

Suggestion was also made to put a new, larger sign at entrance to pool designating. **"Private Property- Residents and Guests Only"**

Adjournment: There being no further business, the meeting was adjourned at 11:25 am.