

WENTWORTH RESORT CONDOMINIUM ASSOCIATION

Board of Directors Meeting – September 6, 2008

PLACE: Wentworth Hotel

Present: Mike Dinneen, Jack Kwessel, David Treadwell, DD Warren, John Sevee, Blake Smith, Dick Wright

Guests: John Bruni

Management: Fritz Koeppel, Irina Ilieva, Marcel Leveille (sp)

Meeting began 9:30 AM

1. Management Report

- Fritz met with members of the board regarding the management agreement and contract.

- Boiler Shed Louvers. Fritz, David and Blake attended a meeting with the Fire Chief and Building Inspector to hear their specifications on the louvers. They must be installed by Oct. 31. Specs were spelled out, and Mike has investigated options. Peter Bonnette has given a price of ca. \$300 per shed. We need minutes of the meeting on the louver issue, to have clear guidelines of what we are expected to do.

- Punch List. Punch list was sent to all owners, and they were requested to respond. Some 24 items have been added to the punch list as a result.

- Management notes listed many repairs and other activities pertaining to different condominium units, including deck work, repairing damages rot, and painting.

- Numerous cheek wall repairs have been performed, and a lingering issue is moisture and mold in one unit. It was suggested that maintenance purchase a moisture detection meter for future uses.

2. Financial Report

- We will be OK in terms of the overall budget for 2008, with some exchanges between budget items. There are some people with outstanding dues. Remaining issues are the louvers and the 25K deductible.

- 2009 Operating and Capital Budget. Contract negotiations are pending, so the operating budget is not set.

- Grading estimate for buildings 9, 17, 29, 31. \$2750 est. for drawings, specifications, cost estimate. John Sevee suggested bypassing the engineering costs and having a contractor go directly to the project. He offered a civil engineer to come over at no cost to see if engineering blueprints, etc., are needed. Jack Kwessel suggested that the problem could be fixed just by making sure snow is removed from the backs in a timely fashion by Eastern Green.

- Insurance Premiums. Wayne Ingelfinger maintains that the premium will be the same as this year. Fritz is pursuing the contract with the insurance co.

- CapEx is expected to be 80K, not including the 10% management fee.

- Louver expense with 2/shed, 48 sheds, \$200 per shed is likely estimate. Roughly, 10K, so \$120 per owner for a cost. It was decided that we can cover that within the budget.

- DD suggested foregoing paying for the association dinner costs because of so many added expenses this year. Cost is budgeted at \$3900. We may not have a problem with people coming to the meeting this year, given the fire issues and assessments.

- DD believes that the board had no information to guide us about the boiler shed fires before, and gave the following arguments:

1. The fire chief inspects all units that are on the rental program, yearly, and never called attention to the boilers/sheds.

2. We never received a report on the Unit 20D fire of 2005.
 3. Every time a unit is sold there is a mandatory inspection, and none have referenced boilers being faulty.
 4. White Mt. Oil is responsible to maintain the heating units, as people have maintenance agreements with them.
 5. Vermont Mutual came in 2002 and mandated a number of changes to our fire alarms, etc., and they never called attention to the boilers/shed design.
- Actually, the boiler units were getting old anyway, and people should be happy that they were replaced.

- Remaining issues for 2009 budget are maintenance contract, and capex regarding the louvers.

3. 12 Cottage Drive Reconstruction Status

- Looks like Building 12 project will extend into October. The board should tour the new units at the time of our next board meeting.

4. \$25,000 Deductible Issue

- WRCA Attorney's Letter dated Sept. 3, 2008. At issue is the 25K deductible. Given varying interpretations of the By-Laws, the potential for significant legal fees, the potential for unnecessary and destructive conflict within the Association membership, and the question of fairness to those most affected by the fires, the Board determined it in the best interests of the Association to distribute the \$25,000 deductible to the Association as a whole. The Board concluded that the cost could be absorbed in the 2009 budget or reserves without an added assessment, by eliminating some non-critical items. This is a one-time effort until we can clarify the by-law language. The four unit owners will be informed of this decision shortly; the Association will be informed at the next Annual Meeting.

- The Board agreed to recommend to the Association that the By-Laws be revised to clarify that such deductibles would be borne by the whole Association.

5. Property Management Contract Renewal

- Blake Smith is working with Fritz on contract language. Bylaw Article 3, paragraph 2 limits the term of "employment contracts" to two years. It was agreed that this is applicable to employment contracts only, and not a management services contract. The Board recommends that the By-Laws be amended to clarify this interpretation.

- Fritz explained his contract experience vis a vis Eastern Green, and his need to increase his fees by \$300/month, giving the board his rationale for the increase.

- The board has kept Association fees level for a number of years, to a great extent due to Fritz's good work. We agreed to ask Fritz to spread out his increase over the next 3 years, rather than 5.6% and then 3% per year for subsequent years. We agree to the total amount Fritz is proposing for the three years.

- Fritz responded that he will look at doing this, and get back to us.

6. Approval of August 16th BOD Meeting Minutes

- Minutes approved.

7. New Business

- Realtors are going to have problems qualifying buyers, and Kathleen has asked for information to send to FNMA or other boards. She needs to know if we are bonded.

8. Date for next BOD Meeting

- Oct. 18, 9:30 AM.

9. Adjourned at 12:40 PM