

The Homeowners of Riverside II (37-48) Condominium Association Annual Meeting Minutes

Tuesday August 23, 2011- 8:00 PM conference call

In attendance: Nat Arai -RS 44, Joshua Boxer and Harriet Boxer – RS 38, Deborah Cicerone- RS 45, Joe Ingram – SNHA, Herb Lewis RS 48, Tom Nucatola -RS 39, Chuck Pepe– RS 43and Phil Shotts RS-47

The attendees met via conference call on Monday August 23, 2011 at 8:00 PM. Our RS-II annual meeting was done as a conference call in August as we did not have a quorum available during the July 4 holiday. The dial-in number for the conference call was as follows– 888.481.3032 (passcode - 571284).

Minutes

1. To appoint a secretary to record the minutes for the meeting and to return a copy to Joe Ingram at the SNHA office Rte 108 before leaving the village, or no later than 9-06-11
 - ✓ **Herb Lewis RS 48 was the chair for this meeting**
 - ✓ **Deborah Cicerone RS 45 agreed to take the minutes this meeting**
2. Review agenda and the adding of other business and topics as required
 - ✓ **After welcoming everyone Herb reviewed the agenda and solicited the attendees for any additional items.**
3. Approval of the minutes of the July 2010 meeting
 - ✓ **The Minutes of the July 5, 2010 annual meeting were approved an accepted.**
4. Election of Building director since Deborah Cicerone's 3 Year Term is ending July 5, 2011
 - a. Review Nominees
 - b. Vote on 3rd director
 - ✓ **Deborah Cicerone was nominated and there were no additional nominations.**
 - ✓ **Deborah Cicerone RS-45 was re- elected as the 3rd Regime**
 - **Director for RS II (37-48) for a 3 year term which started July 2011 and ending July 5, 2014.**
5. Review the points of the SNHA letter (see Appendix A) and discuss our collective next steps to rectify the RS-II growing deficit problem.
 - ✓ **The contents of the letter in Appendix A were reviewed during this meeting**
6. Review of Financial Statement including the open receivables by unit

- ✓ A complete financial statement will be sent via email during the next few weeks. It was reiterated that all open receivables need to be brought up to date as it is not an equitable situation for the other homeowners.
- ✓ It was discussed that since some homeowners are significantly behind can we cut some services so the other homeowners are not carrying the load.
- ✓ The tax bills did go down a little so this helps somewhat.
- ✓ Also, discussed was the rental situation. We need to be renting our units to bring in the income to cover the expenses. We discussed 3 bedrooms not renting as well as 2 bedroom – are we better off renting as 2 bedroom to increase the income stream? Nat Arai has agreed to take the follow-up with Lisa Howe about the estimated rental incomes for RS-II

7.RS-II Maintenance Items and Other Capital Expenditures

- a. Status on RS-II Door Replacement including the financing of this mandatory work
- b. Scheduling and financing of the RS-II WestEnd Gable Work
- c. Additional RS-II Maintenance Items
- ✓ We discussed the importance of the door replacement. We discussed preferences i.e. glass in the metal door for light, only replacing what is necessary etc. Joe will have follow-ups about pricing and timing of the project as we need to have this completed before ski season begins in Q4 2011.
- ✓ Still recommending doing the hallway heaters. Need a price quote for this work.
- ✓ Still need to finish the WestEnd Gable Work. Joe will help us get price quotes for this work. Rear roof has been problematic as well as leaking windows on the west end of the building.
- ✓ We have to think about keyless entry at some point.
- ✓ See Appendix B for a comprehensive list of maintenance items

8.Additional items of concern and interest for the attention of the Building Association directors, Smuggler's Notch Homeowner's Association, Inc or Smuggler's Notch Management Company.

- a. Trash pickup-including frequency especially during the summer months
- b. Security
- c. OACS Activity
- d. Anything Additional
- ✓ Joe discussed Smuggs maintenance. Overall they did a good job on the roads. They did an adequate job on the parking lots. They did not do such a good job on the decks. Joe will press a little harder with Paul Lunae.
- ✓ We discussed the Wyndham role. Joe discussed that overall the Wyndham relationship is a good thing.
- ✓ The issue of squatters was discussed at length. Security will be addressed.

9.Review of any new business that was added for today

- ✓ **No new business was added for today but a recap of the follow-up items was discussed. The follow-ups included that the exact cost figures for the hallway door replacement project will be circulated via email in the next few weeks as this work has to be completed before we open for the winter season in late 4th qtr 2011. The RS-II financials will be circulated via email during the next few weeks and finally a continued plea for all homeowners to make the efforts to bring their accounts up to date.**

Meeting was adjourned at 9:15 PM on August 23, 2011

APENDIX A:

Dear Homeowner,

You will find attached to this email the following charges to your account:

1. 2011 Regime Property Management Fees for services to the Riverside II common areas as performed by Smugglers resort and paid to Smugglers from the Riverside II Fund. Payments are made monthly from Riverside II to Smugglers for these services.
2. 2011 SNHA Dues
3. 2011-12 Master Policy Insurance Premium.

We are asking that you pay the above assessments within 30 days. If you have a previous balance due, you must make arrangements to pay that as soon as possible and contact the office and discuss an acceptable schedule for payments.

I will be reviewing the Riverside II Long Range Maintenance Plan with your Directors in the upcoming weeks. Because the issues regarding the hallway doors are still not completely settled, we do not yet have a total for that expense at this time. For now we are holding the building and reserve assessment at the 2010 level, and are assessing 1/3rd of that total now with the balance to be assessed during the 3rd and 4th Quarters of 2011. We will be as sensitive as possible to the financial concerns of Riverside II homeowners, but we must complete work that is needed to protect your investment, and continue with plans for the future.

During the winter, SNHA has been concerned that the Property Management services were not being delivered consistently by Smugglers at the level you expect. Your Directors and I have been and will continue to work with Smugglers' staff in this regard and would welcome your input on the quality of these services.

The services within this contract are:

- Snow plowing and shoveling or walks and decks
- Trash removal
- Hallway and trash closet cleaning
- Yard care and gardening
- Common hallways and entries – routine maintenance
- Emergency responses

Insurance - Losses for the SNHA Master Policy Insurance group are down for 2010-11, so our 2011-12 premium is 4% less than last year. SNHA closely monitors losses and the performance of maintenance to homes and common areas in order to implement loss reduction measures. The SNHA Insurance program continues to offer excellent coverage and to minimize out of pocket losses to the homeowner and the Riverside II Association to an amount no greater than \$1,000 per loss occurrence.

The SNHA dues are up about 10% for 2011 primarily because 48 of the 275 full owners Village-wide have not paid their 2010 dues, or the alternative non-member management fee (charged to those homeowners who have indicated they do not wish to be a member of SNHA). For 24 of the 48 homeowners, Regime directors (including Riverside II) are assisting SNHA to collect the dues as SNHA services are services to the Regime as authorized by the Regime Directors and endorsed by a majority of the homeowners in your group. As such the SNHA dues will be collected as any other assessment charged to a member of the Regime. All fees due Riverside II are considered by the State of Vermont condominium statutes to constitute a lien on the delinquent property. Collection of delinquent accounts is sometimes a slow process, but rest assured, SNHA is taking the steps necessary to secure payment to Riverside II.

Of the remaining 24 owners, 17 are homeowners in Liftside, where the Directors are not assisting SNHA in collection of dues, and 7 are homeowners from Townhouse buildings that do not have directors, or an organized structure for their building group that is positioned to assist SNHA with collections.

While we pursue legal collection for all assessments due, we also continue to look for ways to encourage homeowners to acknowledge their responsibility to support and pay for the SNHA services to their building group, to recognize the benefits of the SNHA functions and program, and to step up and pay their way.

If you have any questions, please contact me or your Riverside II Directors
Please send your payments promptly and make payable to:

Riverside II
c/o SNHA
PO Box 244
Jeffersonville, Vt 05464

Thank you again for your cooperation,

Joe Ingram
Executive Director
SNHA, Inc.
802 371 8810
joe@snha.net

APPENDIX- B

Besides the fall 2011 exterior fire door project that needs our immediate attention the following is a list of items that need to be addressed in the near term and long

term for RS II. It consists of items that were noted by various homeowners of RS II and will be added to the master list. The directors will continue to periodically review the master list in conjunction with SNHA- next review will occur in the Spring of 2012

Immediate Follow-ups :

1. We have one home in the regime that is in serious arrears with payments causing a huge drag on our finances. The directors will continue to work with SNHA and the homeowner to come to a timely resolution.
2. Door frames around the recently replaced exterior doors are rusted. We need to get this addressed as soon as possible..
3. Decks and all exterior trim front and back need to be stained and painted where appropriate.. We would like to get this done as soon as possible. We are especially concerned with protecting and re-staining the decks.
4. We recognized the WestGable work needs to be done – Tom Nucatola suggested looking at the schedule of the long term maintenance items and maybe with some reprioritzation we will be able to accommodate this work.
5. Need direction about the new doors the quality home team is requested for several of our homeowners We just want to ensure that if new doors are required we are smart about this expenditure and make sure we can be adaptable to comply with future security recommendations i.e. keyless entry

Grounds:

1. East End double pine tree – do something about the second one scraping the roof
2. Add landscaping stone under front east end entry way on the RS43-48 entrance.
3. Add stone to both front walkways starting to look a little thin.
4. Request for salt reduction around the front steps to avoid accelerated rusting of the new entry way doors.

Exterior Building :

1. Cracked Limestone slab in the entry way on RS 43-48 entrance – needs to be caulked
2. RS 38 and RS 39 have sliders with visible insulation strip hanging
3. RS47 needs siding replaced to the right lower portion of the deck
4. Some staining at RS 44 under the light
5. Shingle needs replacing on the side near the top west side under the vent
6. WestSide Gable work needs to be done – not a high priority

Front Entry:

1. In the longer term consider grates on the floor in front of the Ski Lockers

Hallways:

1. Eliminate the trash closets in the interior of the buildings. Nat Arai suggested that the trash closets be eliminated entirely (due to fire code considerations that Joe Ingram discussed) and be replaced by sitting benches
2. Electric Heat – need to get this work priced, prioritized (considering financials and other pressing items) and scheduled -
3. Replace picture in hallway on the way up to RS-39
4. Wireless router in the trash closet outside of RS 39 needs a cover
5. Take out the empty brochure racks in all hallways and make sure the hallway walls look reasonable after the removal.
6. Fix minor hole in the panel on stairway as you enter RS43-48 first floor.
7. Revarnish all hallway paneling
8. West end entry (RS 37-39) ceiling still a little minor staining on top floor
9. Continued study of the moisture problem that has been plaguing the top floors
10. Upgrade the common areas of the building including doors, carpets, interior colors, lighting, alternative flooring etc. (Before we consider these upgrades we want to understand our obligations regarding keycard entry and factor that in to these upgrades.)