

**Hakone Condominium Association  
Smugglers' Notch Resort  
Cambridge, Vermont  
November 4, 2009**

A Special Meeting of the Hakone Homeowners' Association was held by teleconference on 10-28-09 to discuss the following items and receive input from homeowners.

Day of meeting – Wednesday, October 28, 2009

Time – 8 PM evening

Place – Teleconference

There were 7 homeowners in attendance on the call, 1 by proxy to another, and 5 had submitted emails prior to the meeting in support of engaging Smugglers' Notch Management Company, Ltd for Regime Property Management Services in the coming year.

Florrie Paige, Hakone Director and H 13 homeowner presided

- 1) Claire Franklin, homeowner in H 08 agreed to serve as Hakone Director for the term ending July 2012. No other nominations or volunteers were put forward or identified. Please submit your ballot as below to confirm the election of Claire.
- 2) Review the current status of the Hakone Fund and project list as contained in the Hakone Maintenance Plan. The materials were reviewed and discussed. There was a request to make the information available in a more frequent and accessible manner. The directors will plan and implement that request.
- 3) Consider and discuss the proposals for Regime Property Management as submitted by Smugglers' Notch Management Company, Ltd and by TPW Management LLC, and advise the Directors in making a decision for services to Hakone to begin January 1, 2010.
  - a) The consensus of all present and from several homeowners not present who had sent in emails is to engage Smugglers Notch Management Company
  - b) There are several aspects in the contract that are of concern:
    - i) Clarification is needed in 3.02 (b) (iv) where orders for equipment and supplies would be competitively purchased. This does not say who would be responsible to pay for this equipment and supplies. Would this mean that Smugglers would charge Hakone for vacuum cleaners and cleaning supplies.
    - ii) In Section 3.03. Smuggs has stated that they would not exceed \$1,000 in routine repair costs for the Regime without permission from the Directors and would notify us within 48 hours of such work having been done. This seems to be an unnecessarily high level in these days of easy access by email, cell phone.
    - iii) The notice required to cancel the contract in section 4.01 is 30 days for the first year but changes to 180 days thereafter which would mean that a decision in 2011 would have to be made just days prior to the annual meeting. The Directors would like to see the notice requirement be 60 days as it more standard in property management agreements
    - iv) Reimbursement for all cost by Smuggs in section 5.02 is of concern unless more clarification is made in other sections.
    - v) Allocation of the cost of the service to homeowners and how it will be paid. The Hakone Bylaws say that the cost for services to the common areas are to be assessed by the Directors to the homeowners according to the % of undivided ownership interest in the condominium. SNMCO has communicated a fee to be collected from each homeowner that does not reflect the method found in the Hakone governing documents. The method for allocation that is spelled out in the bylaws was followed last year with TPW. In addition, as discussed during our call, since the Hakone bylaws state that the contract is with the regime and not the individual homeowners, the regime should be billed by SNMCO and the regime should pay for the service. There will be much greater capacity to monitor the quality of the service than by having the money automatically withheld from individual owners rental income as proposed by SNMCO.

- vi) Concern has been expressed by a number of homeowners regarding how best to monitor the quality of services delivered to the common areas under the agreement with Smugglers. The Hakone Directors will review options with other building directors and share their findings in a future communication.
- c) The Hakone Directors will discuss the above concerns with other building directors and request clarification from Smugglers prior to signing the contract.
- 4) Discuss and identify any other concerns of the Hakone homeowners for 2010.
  - a) Request from homeowners that SNHA update Hakone contact information and distribute to all Hakone homeowners. SNHA will request updated information and seek permission from homeowners to share the information with all other Hakone homeowners. SNHA has a privacy policy to maintain contact information confidential to the SNHA office and Directors. They will need the permission of homeowners to distribute that information to others.

**In order to confirm the actions being taken subsequent to the meeting, please complete the ballot below and return to the SNHA Office no later than Monday November 16, 2009.**

**Thank you for your participation.**

**Hakone Directors**

**Florrie Paige  
 Claire Franklin  
 Mike Sinz**

**Hakone Meeting 10-28-09 - Ballot**

**With my signature below, as a homeowner in the Hakone Condominium Association, I hereby confirm my agreement with the following actions:**

1. **Claire Franklin, homeowner in Hakone 08 is elected as Hakone Director for term to end July 2012.**
2. **The Hakone Directors have my support in their election to engage Smugglers' Notch Management Company, Ltd in a contract to provide Property Management Services to the Hakone common property for a period of one year beginning as early as December 1, 2009. ( note – since the meeting on 10-28-09, the Directors of all buildings currently holding a contract with TPW have requested an early termination of the TPW contract with no penalty for the purpose of a better logistical transition of service prior to the Christmas holiday period. This appears to be acceptable to all parties at this time. )**
3. **I (please indicate one choice) \_\_\_do \_\_\_do not give my permission to SNHA to provide my contact information (name, address, email address) to other Hakone homeowners.**

**Name \_\_\_\_\_ Hakone Unit # \_\_\_\_\_ Date \_\_\_\_\_**

**Signature \_\_\_\_\_**

**PLEASE RETURN TO SNHA by Monday November 16, 2009**

**Email - snha@snha.net , or by US Post Office to Hakone c/o SNHA PO Box 244, Jeffersonville, Vermont 05464**

**Or Fax  
 SNHA – 802 644 8428**

