

**Hakone House Condominium
Meeting notice – Budget Meeting
Thursday April 30th at 7:00 PM**

April 22, 2020

This is a notice for a teleconference meeting to be held on **Thursday April 30th at 7:00 PM** to discuss, review and adopt a budget for Hakone for 2020.

The call-in number will be:

1-888-481-3032

Code – 571284#

Dial the call-in number and when prompted, enter the code and the # sign and follow the directions to join the call

COVID 19 has brought uncertainty in many areas of our lives. In March, the Directors were poised to present a budget to you that would address the project to replace the slider doors and exterior siding on the garden side of the building for all homes, as well as replace the sliders and windows on the entry and side walls for the two-bedroom homes. This has been on our radar since the fall of 2018 when first discovered. The directors issued a letter last summer describing the problem. They have been working on a plan since that time.

In March 2020, they were ready to present a budget and special assessment that would aggressively address the project to complete within three years and collect funds over three - five years. We all paused in early March to see what would transpire with the virus, and now we are faced with having to move forward in some way as Vermont begins to open after a closing of the resort to the public and a work stoppage now lasting more than a month.

The urgency for all of us is that the sliders are failing at various levels. The failure results in water infiltration into the walls which is causing additional problems and will, if left alone raise the cost and the extent of the work needed to fix the longer we wait. We have been monitoring signs of leakage which usually shows up in the homes below. We are prepared to address the worst ones first, and slow down for those homes that are less urgent if raising the total funds needed becomes a hardship to the group at large.

We have therefore looked at spreading out the work over 6 years and the special assessments over 7 years rather than 5 years to lessen the immediate out of pocket for all if that is more desirable.

We have completed the following work to date:

- Slider and interior wall replacement for units 15,19,23 Completed in fall-winter of 2018-19. Exterior siding yet to be completed.
- Slider, interior and exterior wall and siding replacement for units 1,5,9 in the fall of 2019.
- Smugglers' did the work on 15,19,23, but were unavailable to do the work on 1,5,9
- In summer and early fall of 2019, we went out to bid to three contractors and selected the contractor with the most favorable estimated price
- From the actual cost to complete all the slider and wall work to date, we have estimated the cost for the balance of the slider and wall work. We have not included any 2 Bedroom window

costs. Using this total estimate, we have run the numbers for what we will need each work season, and what we need to raise over 7 years. The Directors would like to institute this plan now and adjust to a more aggressive plan when the economy and business in general improves.

Budget – The overview is as follows – cost based on 2019 prices for materials and labor. Windows for 2 Bedroom homes not included.

- \$293,996 – Total common property work required to replace interior and exterior walls on garden side. This cost is shared by all homes based on the % of undivided interest in common ownership as assigned by the Hakone Declaration.
- \$ 46,650 – Remaining sliders to be replaced on garden side. There are 2 sizes and 2 different prices for the doors. \$2291 for the 1st floor homes and \$2742 for the 2nd and 3rd floor homes. They are Anderson Perma Shield custom size doors. This cost is the responsibility for each homeowner separate from the common property cost. This cost has been factored into the special assessments proposed.
- We have detailed worksheets outlining the estimated costs and assessments per home that are available on the Hakone web page <https://snha.net/regimes-and-buildings/hakone/>
- As an overview, please note the following per home assessments are average. Actual assessments vary according to if the home has already replaced a sliding door and by the actual % of undivided common ownership interest assigned.
 - \$106,889 total regular operations for 2020
 - 53,107..... 2020 Special project annual assessment each year for 7 year recovery
 - \$159,996 Total required for 2020
- Average assessment for homes for 2020
 - Studios\$4500 annual.....\$1125 quarterly.....\$375 monthly
 - 2 Bedroom homes...\$8900 annual.....\$2225 quarterly.....\$742 monthly
 - Actual proposed assessments listed on worksheets online.

Please let us know if you have any questions or comments and if you will be able to join this important call.

Email joe@snha.net

Joe Hester Ingram

On Behalf of the Hakone Directors
Florrie Paige
Claire Franklin
Mike Sinz