

\* PAST PRESIDENT'S 01-02 FISCAL YEAR REPORT FOR THE 2002 ANNUAL MEETING  
OF THE LONG HILL ESTATES at PETERBOROUGH, A CONDOMINIUM

8/02

This year was both full and difficult...full with many simultaneous projects, and difficult with board members disagreeing on several major issues. The board members were Marilyn Britton, Pres.; Rob Trowbridge, Treas.; and Bill Waters. Jo Ann Hall continued as clerk. This report is more detailed than usual but under the circumstances of my resignation, I felt it necessary.

First, let me report that all the association records have been transferred to new board members.

The "working files" (current contracts, insurance policies, legal documents and the like) went to Bill Waters along with a formal list of every file and each page in that file, and that list was co-signed by both presidents. In a like manner, Jo Ann Hall transferred to Bill all the formal board and annual meeting minutes that she and Sandy Kale had kept as clerks. The remainder of the files that I had maintained were transferred to the clerk, Tom Forman, also in like manner with both parties signing a formal list. These included five boxes. BOX #1 held all extra by-law and resident handbooks and materials for them. BOX #2 held the "unit files". I set these up when Cardiff returned our records. Their material was organized and separated from what we do. Each unit has a file in which we keep the yearly furnace/fireplace inspection reports, mortgage information, board correspondence, and documentation of any additions to the unit for insurance purposes. BOX #3 held all the amendment voting pages from 98 - 2000. (I strongly urged that all the many 2001 amendment voting pages be taken from the clerk's files and kept as historical records with the years 98-00.) Likewise, in that box, I had all the paperwork on our road vote transfer of ownership. It also held survey and architectural drawings of our property and buildings along with older materials from previous contractors. BOXES #4 & 5 had assorted files from very early Boards, that Tom had checked out when Cardiff had returned them, and our court records when leaving Cardiff.

I strongly urge that all record transfers be done in this same way so there is documentation of what is passed on each time as well as what was passed on previously.

Early this year the board attached mailboxes at their units for the give and take of association material to and from each other but also for all other owners to use.

One of my first tasks this year was preparing all the new amendments from the 2001 annual meeting for the Hillsboro County Registry of Deeds. When they were returned, these were copied and inserted, along with a newly numbered and indexed set of by-laws, into a three (3)-ringed binder for hand delivery to each owner. (The owners choosing to keep the old white/black spiral by-law books were cautioned that they were now out-of-date.) This new black notebook titled "Long Hill Estates...Declaration & By-Laws" and the soft plastic covered "Handbook for Residents" are both now the official association documents. They belong to the unit but should be kept up-to-date by the owner and turned over to a new owner at the time of a sale. There is a charge for replacement.

The board met with Attorney Jeff Crocker of Jaffrey to ask for his representation when necessary as our previous attorney had left the profession. Jeff had been recommended to us by another local condo association. We all agreed we could work together. The only matter he could not assist us with was sunroom questions because he was already representing a LH owner in a sunroom-escrow issue due to a leak.

To help solve this issue, we had our roofing contractor pull off the sunroom roof in question and asked him to find the cause - if poor workmanship by a contractor hired by the previous owner, or by the developer. After much searching, it was decided that the leak was structural and caused by the developer. But when that question was resolved, there still appeared to be a conflict in the eyes of the owner as the repair to his sunroom roof wasn't complete, so the attorney chose to honor that. Atty. Crocker then could not help either one of us on this issue until we resolved it by working together or with another attorney.

During this same time period, in order to answer some of the questions that caused an amendment on the sunroom roofs to be tabled at last year's annual meeting, we asked an engineer from a Boston firm that Rob knew for advice. This engineer's work and report proved to be too little and too late to give the board a satisfactory method for repairing our sunroom roofs last fall, but at least we felt we knew what not to do. Through the winter I spoke to other local roofing contractors, a near-by contractor's material supply company, and construction material manufactures so we had much more practical information with which to work. Together, working with our roofing contractor and a unit owner knowledgeable in construction, this information helped us come up with a reasonably priced, appropriate method for replacing our low-slope sunroom roofs.

BUT, then the majority of the board didn't want to finish repairing this sunroom roof, or any other for that matter, (and there were others) thinking it would set a precedent. They didn't feel our by-laws were worded such that they made the sunroom roofs common property and therefore our responsibility. They wanted to wait until annual meeting for an association vote for any sunroom work because our declaration does not specifically mention sunroom roofs. In the meantime, our roofer had \$500 tied up in materials and labor on this sunroom roof, which he wasn't being paid.

-2- past president's report for fiscal year 01-02

This decision caused me much distress personally, and professionally as president. I felt we were letting the owners down by not being a responsible board, and some owners were left hanging with no good resolution to their immediate problem. Our consultant and I contended the sunrooms and the association documents were both given to us by the declarant; so when the documents called "roofs" common property, that included the sunroom roofs.

At this same time, the board received a petition signed by 17 owners requesting the board to view sunrooms and their roofs as association responsibility. The decision was again to wait. But finally, when legal action was promised if the roof wasn't completed very soon, the board decided to finish the sunroom roof in question, but only without precedent.

The board adopted a policy statement for the enforcement of rules and regulations. It was kept very simple and the final document was a compromise after struggling over the details or lack thereof. It was sent out to all owners for insert into the "Handbook for Residents".

We also developed a resolution for an official patio awning installation using an owner's research. It was also sent out to all owners for insert into the "Handbook for Residents".

We reached a compromise with the Town of Peterborough over old water charges. The town had brought their initial figure of \$29,000+ down to \$5000+. As our summer's use had been about \$1500, we offered the figure of \$4500 to be paid over 3 years. The town accepted and we are to be billed \$1500/yr beginning with the first invoice in our 02-03 fiscal year. Old water use was to be kept separate on these bills from current water use.

Last Fall we also began looking at another landscaping company called MJS. We kept Peterborough Landscape on to do the winter plowing, as MJS did not do that. MJS is used by another condo assoc. in town, and does mowing, irrigation, fertilization, spring/fall cleanup, and pruning. They are more expensive, but do good work. The grounds committee, chaired by Fran Huntley, worked with a landscape planner in the overall design of plantings at LH, and brought those ideas to MJS. We are now seeing some of the results of all that work.

During the fall of 2001 we attempted to have formal board meetings every other month, but it became obvious that the workload was too much to be handled that way, so we returned to monthly meetings.

Also last Fall, Rob invited a local painter to look at our needs. I thought this gentleman would begin this summer with some needed touch-up and rotted wood replacement. But that plan was to be finalized at the July BOD mtg. that was cut short. He gave us a \$6500 estimate for the first year when we again start painting our buildings. The order, suggested by our previous painter is year 1) the east sides of all the lower five buildings, year 2) all the west sides of the same buildings including the ends, and year 3) buildings 8&9.

Our new Propane dealer, Rymes Heating, began in November installing new gas meters for each unit, and an emergency box that would tell them if our gas supply became too low as to require an immediate delivery. This was put in unit #16. A contract question arose as to who owned what in the gas system. We were assured that Rymes owns the tanks and the pipes up to and including the meters, and each owner's responsibility is just from the meter into the unit. Recently, upon my request, they reduced a new \$5.00/mo. meter reading fee to \$2.50 for us.

Rymes did a very thorough inspection of all furnaces as we were a new client and they found 11 York furnaces had cracks in the heat exchangers. This suggested a premature failure and a possible danger from carbon monoxide so they called a consultant in to talk to us. The consultant said that in large part the problem could be not enough cold air intakes and/or poorly installed ductwork. If these weren't corrected units especially in buildings 1-5, could have more premature failures. Most, but not all, of those 11 owners have installed new furnaces.

Also, I had to report to the board in June, that some owners still had not turned in their new furnace report or last year's furnace and fireplace inspection reports. This could cause insurance concerns.

Upon request, a list of homeowners for the "Handbook for Resident's" was instituted. Anyone signing for their name on this list received a copy for their book. I'm offering to update this list again this year, so if anyone wants to be added, please sign up with me at the meeting's end.

By the same token, I'm offering to still keep owners keys for use in a 911 emergency in their absence. If you are to be away for overnight or longer, our rules ask you to notify the board and let them know who has your key. I'll not turn these over to anyone else as I was entrusted with them, so if you don't want me to keep them please pick them up at the meeting's end.

In November, we changed the order of meetings for the transfer of Long Hill Rd. ownership to the town. Initially, we planned on holding the association meeting before town meeting, but it was noted that if the town rejected the offer, our meeting would have been for not. So, it was decided that if the town voted in March to accept Long Hill Rd as a town road, we would then hold our association meeting directly after.

The town meeting did accept our request, which was supported by the selectmen. Then, to my surprise, a board member suggested that the board just sign over the title. I insisted that we had to proceed with the association meeting as called for in our by-laws and it was held on 4/20. All proxies and owners in attendance voted yes, and those not heard from were counted as yes, as our notice had stated. We thus received a 100% vote to turn over ownership of Long Hill Rd. to the town. As I said earlier, I filed all documents that subject under road vote and put it with all the amendment files in the historic record section.

Our attorney strongly suggested, for insurance liability purposes, that we have a deed prepared and, if possible, that it include metes and bounds so there'd be no question as to the specific location of the property transferred. The town warrant article only said "24' travel way and 1280' westerly from Rt.202." An extensive search for a document with the metes and bounds proved futile and it slowed the deed completion. But, we now have it and I would like to suggest that we ask Tom Forman who has given us so many years of service to sign this deed.

In June, I reactivated our safety requests for clearer signs and a street light at the foot of Long Hill. I hope by now you have noticed our lighted intersection. I sent a note to Pam Brenner for the association thanking her for her quick approval of our street light request. Our sign request had to go through our chief of police. I asked for something that would indicate an immediate intersection as you come around the corner from Jaffrey. Just recently I received a letter from the Bureau of Traffic denying our request. I have asked the Swanzey office if there is an appeal process.

The board had another struggle in developing a procedure for any owner who had to file an insurance claim with our insurance company. Our agent and our condo specialist consultant both said the board should file for the unit owner as our by-laws give the board the responsibility and because we represent the association. But two board members felt that the owner should do this, and just notify the board. Some insurance companies won't even accept a call from a condo owner...only from the board.

As the unit owner is responsible up to the association's deductible, we had been having the owner pay the deductible to the contractor from their insurance claim; then the board deposited the association's insurance money, and made an association check out to the contractor for the balance of the bill. This created a paper trail for the association's records.

For quite some time we have said we needed to put out a simple written statement to owners to use as a guide on filing an insurance claim to accompany this procedure. This was to include: 1) how and why to take care of interior damage quickly so nothing gets worse while waiting for insurance reps as this could negate a claim, 2) encouraging owners to have enough insurance to take care of the association's deductible which is considerable for some damage, and 3) informing owners about a special assessment clause and why it should be included in their coverage. Our consultant sent some samples to use as guides. This hasn't happened yet.

In the late winter-early spring, we began planning for our next two main roof replacements on buildings 4&5. Another bid process was instituted even though we'd done this before 1&2. Some bids did not estimate enough shingles to do our roofs, some offered 15 lb felt instead of the 30 we were getting, but all were in the same price range. Our contractor's bid was again accepted and he continued his free-rent policy for our shingles that we still had for bldg. 3.

In the spring we were told there would soon be a substantial increase in roofing materials so we decided to have our contractor buy another truckload (2 roof's worth) of roofing materials. This time, though, we were only going to pre-buy the shingles and rubber. They were oil-based products and would be subject to the heaviest price increase. All the other materials would be purchased when the work was done. But after paying him to get the shingles and rubber, some board members began hesitating, so our contractor stopped the process for a time.

The Board unanimously requested our roofing contractor sign a Bailment agreement for our shingles. He agreed this was a good idea, prepared an attachment with all the requested information, and our attorney prepared a draft for us. (This basically protects the association having to go through probate to get any of our property that is not physically stored on our land in case something were to happen to the person holding it.)

In March, after accepting our contractors bid for roofs #4&5, board members began asking for additional written guarantees... That he guarantee materials, sign extra forms in addition to the certificate of insurance required to work here, and that he include added labor such as taking down all ladders and scaffolding daily, etc. I disagreed.

Our attorney agreed with me saying, 1) a contractor never guarantees materials, and you never insist on inserting anything new into an agreed upon contract. Then in May two members again voted to change the roofing contract to bldg. 4 only and re-assess bldg. 5 later. This practice was also very stressful to me as board president...it took away the reliability of our word.

I offer the following to set the record straight on building #3's main roof installation this spring and summer. Our roofing contractor experienced more and different problems than he has had in his 16 years of roofing and this after having no problems while doing our first two buildings.

When beginning the roof in April it seemed great that we'd had an unusually early start, but our luck soon changed. It turned too warm to work with rubber or shingles without damaging them; then we had snowstorms and many nights below 50 that prevented applying rubber. The mfg. regulations say the temp must be 50+ for 24 hours. Then we had rain, rain, and more rain.

A 70-mph rain/windstorm was reported in late April while I was on vacation. This took some loose shingles on the roof that hadn't melted together as planned, flying. They scuffed some skylights, dented a vehicle left out below the roof under construction and allowed some water to get into a unit around felt and rubber coverage. Our contractor took complete responsibility and spoke to the owners involved. He volunteered to do the repair or be billed.

Our contractor took time away from the job for a family vacation planned last year; then had an auto accident that left him with a cracked sternum requiring strong pain medicine and bed rest. Against Dr's orders he stopped his treatment early to get back to the roof, but at first, he could only work for a few hours at a time because of the pain.

Then the last straw was another leak into a different unit through a section of roof left thoroughly covered with rubber or rubber and shingles when he had to leave for that day. This time, our contractor called his insurance. Our consultant advised that in these cases of interior damage the unit owner's insurance is prime up until the association's deductible, and the owner's ins. company can subrogate to the contractor's insurance if they must.

Also, by this time, our contractor was mostly working alone as his partner refused to work at Long Hill anymore because of an owner's harassment. But, all through this ordeal, he kept insisting that the job be done according to the manufacturer's specifications so our warranty would be valid and so we would end up with the 25-year roofs for which we'd contracted. He even took time, several times, to explain these specifications and roofing practices. At a board member's request he attended a board meeting and spoke to several owners, and individually answered many owners' questions, and answered lists of written questions by another owner.

In the spring, we began a feasibility study for drilling a well just for irrigation. After getting a proposal for over \$10,000 just for the basic costs, it was decided to check our water costs at summer's end and then, possibly, get another bid. (17 owners also petitioned against this well)

For our financial reports, it was agreed not to use an accrual basis, as the program is costly. However, this means that all involved have to be more attentive to details, to timely reporting of income/expense, and to reporting payments on the correct line. However, I did ask for one change in the reports and that was to use the annual budget figure instead of the year-to-date budget figure. I also asked that we move funds from our capital reserve into checking when they were authorized to keep the capital reserve account always free of any encumbrance.

As of my last BOD meeting as president, some important and timely items were left undone.

- 1) Months ago, I asked that we begin planning for our winter contractor. That was vetoed.
- 2) As I mentioned earlier, this summer's painting plan still needed a decision.
- 3) We needed to accept and sign the bailment document for our roofing shingles and rubber.
- 4) The new board did complete a decision on our patio privacy fences with information I had provided. They were to install one, and fix the other three. I don't know when.
- 5) Also, the new board accepted the corrected financial reports Ed and I had prepared and accepted the 02-03 fiscal budget so the finance book could be released to owners.
- 6) I had hoped the board would prepare a rebuttal to the 7/14 partial financial plan sent to all of us by four owners (1,10,13,21)? I believe the association needed our contrasting opinion in order to see the very basic differences in the plans before any annual meeting discussions.
- 7) I'm pleased that the bid I received from Monadnock Disposal was approved.
- 8) I wanted to review questions I had received from several owners on our finances.
- 9) We needed to review three Board resolution drafts that I'd written to be mailed out for insertion in the green Resident's Handbook.
  - a) One explained how our fiscal year and annual meeting dates came about. This was promised last year.
  - b) One was a policy for Notification of Pending Unit Sale and all the steps to be taken and why.
  - c) The third was a board policy resolving that all assessments, whether monthly or special, must be paid on time and in full. An owner may not withhold any amount at any time because of a dispute.

Finally, I leave you with two of my biggest concerns from this past year. One has been when our board, on the one hand, appeared to make decisions for the association by trying to amend by-laws or deed away property; and on the other hand, chose to give up their responsibilities in several areas. In my opinion and that of our consultant, this way of managing could prove more than detrimental to our association.

Some of the troubling decisions stated that:

- 1) "Owners who need a sunroom roof repaired would be advised of the roof repair method we had found, would have to hire their own contractor and pay for the repair themselves and they may, or may not, be reimbursed". I attempted to at least reverse that and say we'd pay and may, or may not, be reimbursed...but that suggestion wasn't even discussed.
- 2) "The board will not write any notes to owners who are in violation of a by-law or board rule because we can't scold our neighbors, but we'll have an attorney do it, if necessary". This certainly doesn't seem friendly or cost effective.
- 3) "The owner, instead of the board, must file a claim with the association's insurer for unit damages". This could, at least, leave our records incomplete and owners frustrated.
- 4) "That we don't have to be "militaristic" and follow all the by-laws". It's my understanding you either follow them or change them.

These decisions could, at the very least, give up the associations control of the quality and appearance of common property, and more importantly, leave the association wide open to a lawsuit. The board is the body that has to enforce our by-laws and board rules. No one else is going to when you're self-managed. The board should also lead by example by always following the by-laws...not trying to find ways around them.

My other concern, is what appears to be using personal reasons for getting rid of a very good roofing contractor. Replacing our roofs is hopefully the most major endeavor we'll take on, and what we have so far are three, very good 25-year roofs by a contractor who is very knowledgeable about our roof's particular unique problems and has gone out of his way to fix them.

I cannot tell you how important I feel it is that each owner keeps informed about association matters. We all pay equally into this association that is based on by-laws. By-laws that we all agreed to follow when we moved here. I urge you to attend board meetings, read notices on the mail bulletin board and ask questions of the board about anything you don't understand.

And as I said to you all in my letter of resignation, I want to thank all of you who supported the work I was trying to do to keep this a strong association that would continue to enjoy a good reputation in this community.

Marilyn A. Britton