

NATICK GREEN CONDOMINIUM TRUST
Minutes of the 13TH ANNUAL MEETING
Wednesday, September 22, 1999

Attendees: Joseph DePalo, Chairman
Lou Julian, Vice Chairman
Elliot Schwartz, Treasurer
Bernadette Drum, Trustee
Susan Peters, Trustee
Evelyn Wilcon, Trustee
Nancy Mandino, Property Manager
Michael Mandino, Director of Maintenance
Jennifer Saponaro, Leasing Consultant

Absentee: Robert Fitzgerald, Secretary

AGENDA:

I. Call to order

A social reception began at 6:30 pm. There were drinks and hors d'oeuvres served. Joseph DePalo called the meeting to order at 7:00 pm.

II. Introductions

Joseph DePalo introduced the present Natick Green Board of Trustees and Management personnel.

III. Certification of proper notification of the meeting

Joseph DePalo provided a copy of the invitation that was mailed to all unit owners.

IV. Certification of quorum

Unfortunately, we did not have quorum, with only 43.5535% including those in attendance and proxy statements. Therefore, no voting of any kind could take place.

V. A review of the past year's business presented by Joseph DePalo

A. Hot Water Heaters and Washing Machine Hoses

The most important issues that we are faced with this year are leaks due to aged water heaters and burst rubber washing machine hoses. At one time we were experiencing 3-4 leaks per day. The maintenance personnel were kept extremely busy stopping leaks and assisting in the clean up of resulting floods. The office personnel have been equally occupied in dealing with the resulting insurance claims.

We have sent several notices to unit owners strongly recommending that you replace your water heater and replace your rubber hoses with stainless steel hoses. At first, our maintenance personnel began replacing the water heaters upon request. However, it became impossible for our personnel to keep up with the amount of heaters that were leaking. Therefore, we referred unit owners to contact a plumber (Nation Heating & Plumbing).

St. Paul has paid out over \$25,000 in losses this year due to water leaks. This does not include the present claim regarding the fire at 52 Silver Hill #13. That damage is being estimated between \$22,000 to 50,000. As a result of the number of insurance claims we had, our insurance company, St. Paul issued us a warning that they were considering increasing our deductible or policy premium if steps were not taken to stop the leaks. This put us in a very difficult position. Our bylaws demands an "All In" policy whereby unlike many other condominiums that only insure "stud to stud", we must carry insurance that additionally insures the fixtures inside the condominium. Therefore, we agreed to increase our deductible from \$1,000 to \$2,500 to appease the insurance company in hopes that they will renew us this January. **IF YOU HAVE NOT ALREADY REPLACED YOUR WATER HEATER OR INSTALLED STAINLESS STEEL HOSES ON YOUR WASHING MACHINE, DO SO IMMEDIATELY!!!** We will be scheduling an inspection of all condominiums at the same time we inspect the fire alarms and will take an inventory of all units with old water heaters and rubber hoses. We are looking into the possibility of fining unit owners who do not comply since the threat of a leak could result in damage to our common areas.

It is important to note that our insurance policy does not cover personal property (furniture, hi-tech equipment, clothing, etc.) or loss of rental income or loss of use (hotel expenses if the unit is considered inhabitable). We strongly recommend that unit owners and renters purchase their own insurance policies to cover themselves in the event of any loss. Unit owners should also carry an interior liability policy as well as property insurance that would lower the deductible.

B. Satellite Dish Regulations

Attorney Stephen Marcus recommended that we amend our satellite dish resolutions in order to comply with the September 25, 1998 and November 20, 1998 Revised Order and Rules promulgated by the Federal Communications Commission (FCC). The Board reviewed and accepted the amended resolution. Anyone interested in installing a satellite dish must insure that they meet the guidelines stipulated in the resolution. Copies are available at the Natick Green Office.

C. Newfield Drive

This is also a subject that we have talked about in the past. We requested that Attorney Romanow look into the possibility of having the Town of Natick accept Newfield Drive as a Town Road. Once accepted, the Town would be responsible for maintenance of the road. Attorney Romanow advised us that the Department of Public Works was pursuing a procedure that would allow Town Meeting to approve as accepted streets numerous existing public ways within Natick that for various reasons never went through the formal town meeting street acceptance process. They agreed to add Newfield Drive to the list of streets under consideration. However, we then received some disheartening news that the DPW did not receive approval for the proposed action from the Town Administrator. Attorney Romanow will keep us advised. The Department of Public Works advised us that the road was not built according to town specifications. They referred to drainage problems, water pipe problems under the road, problems with the curbs, etc. and due to its present condition, they will not be recommending that the Town accept it.

D. Safety Awareness Meeting

In response to some neighborhood purse snatchings, Natick Green sponsored a safety awareness meeting in the Clubhouse. The Natick Police Department presented ways of taking extra precaution in our daily lives in order to avoid potential dangerous situations.

Since there has been some break-ins in the area, we are also currently accepting bids from private security companies. We will keep you informed of the progress.

E. Rental Rates

The rental market has been wonderful this year. The demand for rental units has increased but the supply has decreased due to a strong sales market, thus driving our rental rates up. Our current market rents are:

| | |
|-----------------------------|---------|
| Small One Bedroom One Bath | \$875 |
| Large One Bedroom One Bath | \$895 |
| Two Bedroom One Bath | \$1,000 |
| Small Two Bedroom Two Bath | \$1,050 |
| Large Two Bedroom Two Bath | \$1,100 |
| Two Bed, 1.5 Bath Townhouse | \$1,200 |

The one problem is that we have experienced a lesser turnover, resulting in lower income in our Lease Unit-Prep budget line item.

F. Sales Update

This has been a banner sales year. We are now at 45% Owner Occupied and increasing steadily. A total of 41 condos. sold since last year's annual meeting. One Bedroom prices of the condominiums have increased by \$15,000 and Two Bedrooms by \$20,000-\$24,000 since last year. The highest recent sales are:

| | |
|-----------------------------|-----------|
| One Bedroom One Bath | \$97,000 |
| Two Bedroom One Bath | \$117,800 |
| Two Bedroom Two Bath | \$140,000 |
| Two Bed, 1.5 Bath Townhouse | \$147,900 |

G. C.A.I.

We joined the Community Associations Institute (C.A.I.) this year. C.A.I. is on the cutting edge of condominium issues and we will be kept informed of all new legal issues. Also, any courses that our personnel attend will be at discounted tuition fees.

VI. Financial Review: Elliot Schwartz, Treasurer

A. Review 2/98-1/99 audited Financials

Elliot Schwartz provided owners with the results of last year's audit performed by Murphy & Piercey, CPA. During the audit review, Charles Murphy of Murphy & Piercey once again commended the Board and Management Staff for another successful year. He mentioned that of all the condominiums that he services that Natick Green is his "flagship property". Copies of the audited financial statements were handed out to all unit owners and reviewed in detail.

| | |
|-----------------------------|------------------|
| Total Current Assets | \$408,068 |
| Property and Equipment, Net | <u>\$ 99,085</u> |
| Total Assets | \$507,153 |

| | |
|-------------------------|------------------|
| Current Liabilities | \$ 97,329 |
| Non Current Liabilities | <u>\$ 12,142</u> |
| Total Liabilities | \$109,471 |

Trust members' Equity:

| | |
|-----------------------------|------------------|
| Designated for Future Major | |
| Repairs and Replacements | \$308,012 |
| Undesignated | <u>\$ 89,670</u> |
| Total Trust Members' Equity | \$397,682 |
| Total Liabilities & Trust | |
| Members' Equity | \$507,153 |

The Net Income from Operations was \$34,076, which was down from \$78,272 the year before. Two attributable factors were the Lease Unit Prep Income was down approximately \$12,000 from the year before due to fewer turnovers caused by a heightened sales market to owner occupants and a shortage of rental units with a high demand. More of our residents are renewing their leases rather than moving. The second factor was the extraordinary expense of \$26,055 paid to Framingham/Walpole Pest Control for treatment of termites.

A unit owner, Sam Schiller, had recommended that we charge the applicants a fee to recoup for the loss in Lease/Unit Prep Income. Natick Green began charging a \$500 processing fee per application. As of September 22nd we had collected \$6,500. Of course, this is subject to market conditions. A special thanks to Sam Schiller for his recommendation.

B. Budget 2/99-1/00

The Board approved the operating budget as presented by Nancy Mandino. Condominium Fees were increased 10% effective 8/1/99. This was only the third increase since the Association's inception in 1987. We had a 10% increase in 1988 and a \$15 increase in 1995. The reason for the increase is to build up our Replacement Reserves. We only replaced a minimum number of roofs the year before due to the expense of the termite treatments. Other Reserve expenditures for the year were \$5,042.40 for refurbishing the Patio furniture, \$8,393.70 for the purchase of a Lawn Tractor. Even after the increase in condo. fees, our fees remain substantially lower than our neighbors, Natick Village and Deerfield Forest due to good management.

C. Fleet Lock Box Change

Since the Board received numerous reports of delays in the posting of condo. fee payments by Fleet, we elected to change banking institutions. We closed the lock box account with Fleet and opened one at Natick Federal Savings Bank effective July 1, 1999. So far, the transition is working beautifully.

D. Software Problems

Due to numerous software problems that we have been experiencing with the Accounts Receivable system utilized by American Properties Team (A.P.T.), we are investigating alternative software packages and the possibility of processing A/R and A/P in-house.

VII. Physical Property Report: Louis Julian, Vice Chairman

A. Roof Replacement

We entered into a contract with J.T. Haffey Home Improvement Co. in 1997 to replace all of the roofs on the Property. This project is expected to take several years to complete. The roofs are being replaced in order of physical necessity. The total contract price is \$162,970. Haffey agreed to keep the same rates until December 1, 1999 with an allowance for a 5% increase for cost of materials only. We are very happy with Haffey's work and will be renegotiating the contract to extend beyond December, 1999.

The contract costs are as follows:

| | | | |
|--------------------|---------|----------------------|---------|
| Small Rubber Roofs | \$760 | Small Shingled Roofs | \$4,790 |
| Large Rubber Roofs | \$1,520 | Large Shingled Roofs | \$8,900 |

To date we have replaced a total of 14 Rubber Roofs and 3 Shingle Roofs, which totaled \$25,898. (\$10,998 in 1998 and \$14,900 in 1999 so far). The workmen are currently in the process of replacing the shingle roof on 30 Silver Hill.

The roofs completed are:

Rubber Roofs

40 Silver Hill
34 Silver Hill
36 Silver Hill
1 Silver Hill
42 Silver Hill
44 Silver Hill
46 Silver Hill
48 Silver Hill
38 Silver Hill
3 Silver Hill
1 Post Oak Lane
5 Silver Hill
10 Post Oak Lane
32 Silver Hill

Shingle Roofs

40 Silver Hill
10 Post Oak Lane
38 Silver Hill

B. Termites

We addressed this topic at last year's annual meeting. We have identified that we had termites in 13 out of 22 buildings. We signed a contract with Framingham/Walpole Pest Control and all 14 buildings have been treated with Sentricon termite elimination system. This method involves installing bait stations around the exterior perimeters of the buildings. The program has a two-year treatment plan whereby the stations are monitored monthly and additional bait stations added where necessary. This method works on eliminating the whole termite colony as opposed to only killing the termites that the chemical reaches in the alternative method of treatment. Framingham/Walpole Pest Control offered us a payment plan which involved paying 1/3 deposit up front and the balance was spread over 11 months.

We paid \$2,770 in 1997, \$25,087 in 1998 and \$9,220.99 in 1999 which totals \$37,077.99 paid to date for termite treatments. We were extremely fortunate to have sufficient funds available to take the appropriate action and did not need to charge a special assessment.

The buildings that are being treated by Sentricon are:

- 7 Silver Hill (Office)
- 5 Silver Hill
- 9&11 Silver Hill
- 2-12 Townhouses
- 30 Silver Hill
- 34&36 Silver Hill
- 14-20 Townhouses
- 32 Silver Hill
- 40 Silver Hill
- 50&52 Silver Hill
- 2&4 Post Oak Lane
- 6&8 Post Oak Lane
- 10 Post Oak Lane

C. Municipal Trash Pick-up

This subject was reviewed at last year's Annual Meeting. In review, the original developer of the Kendall Crossing, Natick Village, Natick Green and Deerfield Forest made an agreement with the Town of Natick that dates back 30 years to 1969. The agreement stated that in order not to put an undo burden on the Town, for the next thirty years, until 6/14/99, all four developments would pay for their own trash removal costs. It was expected that the Town of Natick was to pick up the responsibility effective 7/1/99. In addition, all condominium owners are taxed at the same rate as single family homeowners but do not receive the same municipal services such as trash removal, snow plowing, streetlights, etc. The Board of Trustees signed a contingency fee agreement with Attorney Lee Romanow. (50% of one year's trash expense). This was one half the amount that Attorney Robert Jutras offered us who is representing Natick Village and Deerfield Forest.

The preliminary work that Attorney Romanow completed on our behalf appeared very encouraging. The Public Works Department was extremely helpful and affirmed that the Town would accept the responsibility. The Town Meeting approved a \$170,000 expense in its budget for the trash removal expense of all condominiums in Natick. The Town hired a Consultant who performed research on the best avenues for waste removal. The Town even put the job out to bid. We were not informed until 4 days prior to 7/1/99, the expected effective date, that there was a problem. The Town of Natick's Planning Board opposed the plan. It appears that the Board of Selectman and the Planning Board are in disagreement of the outcome.

Even more perplexing was when Natick Village submitted a plan to the Planning Board for their approval. The plan requested permission to make several capital improvements to their entrance to their Property, which included, Kendall Lane, an accepted Town road. The Planning Board approved their request but treated us all as one subdivision and made the condition that all four Properties would continue to pick up their own trash. Of course, we appealed their decision per the advice of Attorney Romanow. When the

Town was served with the appeal notice, they changed their decision. Nancy and the Trustees have attended numerous Town meetings (Board of Selectman, Finance Committee, etc.) to speak on condominium owner's behalf regarding these issues.

There are now three Articles that are before the Annual Town Meeting which is October 5, 1999. The first Article states that any property with more than 4 units shall pick up their own trash. The second retracts the \$170,000 expense for trash allocation that was already approved in the last Town Meeting. The third is a zoning article, which states that any Planned Cluster Development, or PCD, which we are, shall be treated as a single-family residence. Although we would be grandfathered, there would be future restrictions that the Planning Board could make that as long as we are a PCD Development, they can not control. **IT IS EXTREMELY IMPORTANT FOR ALL CONDOMINIUM OWNERS TO ATTEND THE TOWN MEETING ON OCTOBER 5, 1999 TO LOBBY AGAINST THE ACCEPTANCE OF THESE THREE ARTICLES.** The majority of attendees at Town Meeting are single family homeowners who most likely will be in favor of these articles. Please contact as many condominium owners as you can and ask them to attend the Town Meeting.

UPDATE SINCE THE ANNUAL MEETING REGARDING THE TOWN MEETING:

Our three articles were reviewed at the Town Meeting on Tuesday, October 12th. The results of the vote are as follows:

Article 27: Voted for Referral to the Board of Selectman and the Planning Board.

Article 28: Voted for Indefinite Postponement

Article 38: Voted for Indefinite Postponement

We are very pleased with the outcome. We would like to thank the handful of unit owners who attended Town Meeting. A special thanks to Natick Green owners who are Town Meeting Members: Louis Julian, Claire Joyce and Robert Pitts for their outstanding support.

D. Hallway Carpets

We bid the hallway carpet replacement project out and chose the carpet goods that we would like to use. However, since the job is priced between \$30,000 to \$40,000, we chose to wait another year at least due to the expense of the roof project and termite treatment expense. We need to build up the reserve funds for future property improvements and to insure that we have enough on hand for unexpected emergency repairs. In addition, many of the hallway carpets are still in very good shape and keeping them shampooed regularly will extend their life expectancy.

E. Pool Furniture

We priced new pool furniture but found that we were better off refurbishing our present furniture. During our research we found that the base of the furniture that we have is made better than the newer furniture. Therefore, we chose to restrap and paint our existing furniture. The cost of the refurbishment was \$5,042.40. We also purchased new umbrellas, which totaled \$630.00.

F. Landscaping

We purchased a new lawn tractor this year, which cost \$8,393.70.

VIII. Election of the Board of Trustees

Due to lack of quorum, an election could not take place. Therefore, the same seven Trustees will serve until next year's annual meeting.

IX. Open Discussion

An open question and answer period took place. Due to the great interest in the discussion of security, a subcommittee was formed of unit owners in attendance to research this topic further.

X. Adjournment

The meeting adjourned at approximately 9:00 pm.

The next Board of Trustees Meeting is scheduled for **Tuesday, October 19, 1999 at 8:00 am** at the Natick Green Clubhouse at 7 Silver Hill. As usual, anyone who is interested in attending may do so. If you wish to address the Board we kindly request that you submit a request for agenda time at least ten days in advance of any Board Meeting.