

**NATICK GREEN CONDOMINIUM TRUST
MINUTES OF THE 14TH ANNUAL MEETING OF UNIT OWNERS
Tuesday, September 26, 2000**

AGENDA:

Unit owners signed in and enjoyed hot and cold appetizers catered by Creative Entertaining.

I. The Meeting was called to order at 7:30pm by Joseph DePalo, Chairman of the Natick Green Condominium Board of Trustees

II. Introduction of the present Natick Green Board of Trustees:

**Joseph DePalo, Chairman
Susan Peters, Vice Chairperson
Elliot Schwartz, Treasurer (absent)
Robert Fitzgerald, Secretary (absent)
Bernadette Drum, Trustee
Evelyn Wilcon, Trustee
Louis Julian, Former Trustee, resigned 2/00**

Joseph DePalo announced that both he and Robert Fitzgerald sold their condominiums earlier in the year and although they completed their term through the end of the election year, September 2000, they were resigning upon the completion of the meeting. Joe had served as a Trustee for fourteen (14) years and Bob served for eleven (11) years. Both Joe and Bob have given unselfishly of themselves and have been enormous contributors to the Association. They will be greatly missed by the remaining Trustees, staff and condominium owners.

III. Certification of proper notification of the meeting

Joseph DePalo announced that invitations to the annual meeting were mailed to all unit owners.

IV. Certification of Quorum

Quorum of the annual meeting is defined as 51% of unit owners either in attendance or represented by proxy statements. Unfortunately we only had 35.3736%. Therefore we did not have quorum, which means that no election of the new Board of Trustees could take place nor could there be any voting on any other matters. With 54.4% owner occupancy, it is very disappointing not to have the participation that is warranted. The remaining incumbents, Susan Peters, Elliot Schwartz, Bernadette Drum and Evelyn Wilcon shall remain on the Board. The Board must operate with no less than three Trustees before any appointments may be made.

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

A. Property Insurance

As discussed at last year's annual meeting, our Property suffered from water leaks from old water heaters and rubber hoses on washing machines as well as a fire at 52 Silver Hill. The total insurance claims paid out by St. Paul Fire and Marine Insurance Co., our master insurance carrier were \$47,604.04 in 1999 alone. Regardless of our attempts at mandatory replacements of water heaters and rubber hoses with stainless steel hoses, St. Paul chose not to renew our policy.

Therefore, the Property Insurance was put out to bid through two different Insurance agents. The company that was chosen was Quincy Mutual Insurance Company. They were the most competitively priced, although about 5% higher than St. Paul. Quincy Mutual received an A+ Best rating and came highly recommended by Knapp, Schenck & Co., our Insurance Agent.

We believe that all of the original water heaters have been replaced, with the exception of one that has been shut off and drained. If any of you or your tenants has rubber hoses on their washing machines, please remember that they have been banned from the Property. Stainless steel hoses may be purchased from the Natick Green Office at a cost of \$15.00 and can be installed for \$30.00. Investor owners should remember to notify all new tenants of this Rule.

It is important to note that our policy, although an "all in Policy", has a \$2,500 deductible. It is also important to note that our 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. Municipal Trash Removal Request

Again, we spoke at last annual meeting about our attempts at requesting the Town of Natick to provide trash removal services to our community. The Town of Natick assesses Real Estate Taxes at the same rate for condominium owners as single-family homeowners who receive town trash pick-up at no extra expense. In addition, there was an agreement between the original developer and the Town of Natick that stipulated that effective 7/99, the Town agreed to provide trash removal services.

This topic has involved a tremendous amount of time involving numerous Town meetings involving the Board of Selectmen, Planning Board as well as Annual Town Meetings on behalf of our employees and Trustees. We entered into a contingency fee agreement with Attorney Lee Romanow that we would pay 50% of one year's trash expense if he were successful. However, the Town of Natick refused to accept responsibility. The surrounding condominium communities and we entered into a lawsuit against the Town. However, we have officially withdrawn from the suit due to the following reasons. There was beginning to be numerous out-of-pocket legal expenses beginning to accumulate as a result of depositions, court reporters, photocopying

documents, court fees etc. The Supreme Court decision of Ohio, which supported our constitutional rights argument, was overturned. In addition, the Town of Natick has stated that they would consider charging homeowners for trash pickup; thusly making our chance of winning extremely doubtful. We wish our neighbors luck should they decide to continue with the suit.

C. Newfield Drive

Newfield Drive which is the street that runs from Rte 135 through all four Properties, Natick Village, Kendall Crossing, Natick Green and Deerfield Forest and turns into H.F. Brownway down by Gold's Gym is not a town road. The Town of Natick never accepted it after the completion of the construction of the developments. We believe that the developer met the Town's criteria in its construction to have it converted to a town road but for whatever reason, the town never accepted it. As it stands now, each of the four properties own portions of the road. We own to the centerline of the road between our properties boundaries. In the past we have hired two attorneys, Attorney Stephen Marcus and Attorney Lee Romanow to work on its acceptance. Neither Attorney's attempts proved successful.

One of the tactics the Town took after our request for municipal trash removal services and road acceptance was to put forth an Article before Town Meeting to change our status as a Planned Cluster Development (PCD) to single family homes. If passed, this Article would have been detrimental to our Property. We were forced to defend our position and fight its passage. Attorney Lee Romanow was hired to represent us in this matter. His legal fees totaled \$6,062, which we later negotiated down to \$4,000. The Article was not passed.

The acceptance of Newfield Drive is a matter that will need to take the forefront in the near future as the road is becoming deteriorated and the ability to maintain portions of a roadway is illogical.

D. Financial Services Contract

A very large portion of our time spent this past year has been on the conversion from external financial services to internal. Due to dissatisfaction with our former Financial Servicer, American Properties Team, Inc., we decided to terminate our contract with them and to perform the receivables and payables functions in-house.

E. Rental Rates

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 rental rates are:

Small One Bedroom One Bath	\$ 925
Large One Bedroom One Bath	\$ 960
Two Bedroom One Bath	\$1,100
Small Two Bedroom Two Bath	\$1,200
Large Two Bedroom Two Bath	\$1,300
Two Bed, 1.5 Bath Townhouse	\$1,400

F. Sales Update

This has been a banner sales year. We are now at 54.4% Owner Occupied (10% higher than last year's annual meeting) and increasing steadily. A total of 48 condominiums sold since the last annual meeting. One Bedroom prices of the condominiums have increased by \$21,900 and Two Bedrooms by \$25,000 – 30,000 since last year! The highest recent sales are:

One Bedroom One Bath	\$118,900
Two Bedroom One Bath	\$150,000
Two Bedroom Two Bath	\$169,000
Two Bed, 1.5 Bath Townhouse	\$170,000

VI. Physical Property Report presented by Susan Peters

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. Although the contract has not been renewed, J.T. Haffey continues to keep his prices the same.

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 16 Rubber Roofs and 4 Shingle Roofs, which totaled \$36,343.59. We plan to spend approximately \$37,124 per year over the next three years on roof replacement.

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.

As of 6/30/00 we have paid \$48,270 for termite treatments. All of the initial contracts' payment plans have been paid in full and we are now responsible for paying for the annual renewal contracts. We were extremely fortunate to have sufficient funds available to take the appropriate action and did not need to charge a special assessment.

C. Beyond day-to-day operations

Along with the day-to-day operations of the Property, in the past year our maintenance personnel have dealt with the following:

1. Jacuzzi

There was a leak in the main drain lines underneath the slab of the pool surface by the Jacuzzi. We had to dig up the surface area, repair the lines and resurface the area. We also installed an emergency shut off switch outside the building for the Jacuzzi per the Town of Natick's Board of Health.

2. Water Main Leak

Mike Mandino, Director of Maintenance, noticed an under ground water leak in the parking lot by the Townhouses. We hired T.J. Enterprises to repair the leak, which first involved digging up the lot. The total cost was \$1,590. Noticing the leak at an early stage saved thousands of dollars in water bills and more serious repairs if the pipe leak had worsened.

3. Electric Main Panel

The main electrical panel in the Clubhouse failed and had to be replaced at total cost of \$4,185.64.

4. Dryer Vent Ducts

A few residents had started to complain that their dryers were no longer drying their clothes effectively. Upon inspection, it was learned that they were blocked with lint and old birds' nests. Since we considered this to be a potential fire hazard, we bid the job out and got a good rate of \$45 per vent. We hired Mighty Duct Cleaning Co. to clean all of the dryer vent ducts on the Property and charged each unit owner with a dryer vent the \$45. Our maintenance personnel then installed cages around the vent ducts on the exterior of the buildings in order to prevent birds from building new nests in the vents.

D. Property Improvements

1. Sprinkler System

Our Maintenance Personnel installed an additional 3 zones for the underground sprinkler system in back of 1, 3, 5 & 7 Post Oak Lane. This will help us keep our lawns green. Performing the work in-house saved thousands of dollars.

2. Tennis Courts

We purchased new nets for the tennis courts this year

3. Street Signs

We installed street signs at the entrances of Silver Hill and Post Oak Lane.

4. Visitor Parking

We converted 7 parking spaces from residential only parking to visitor parking spaces. The new visitor parking spaces are located at the intersection of Silver Hill and Post Oak past 52 Silver Hill and at the cul de sac by 40 Silver Hill.

5. Nextel Phones

We purchased three Nextel Phones for the Office and maintenance personnel so that the communication, especially of an emergency nature can be relayed much faster. The Nextel phones act both as a two-way radio as well as a telephone.

E. Future Work Planned

There are some very large trees in the wooded areas of our Property that overhang abutters Properties that need to be cut down. This will need to be contracted out.

F. Reserve Study

Since the last Replacement Reserve Study was completed in 1993, we will be accepting bids to complete another study. Engineers who devise a life expectancy of the physical features of the property and recommend the monies that the Association should be setting aside for their repair/replacement perform the study. Once the Reserve study has been completed, we will make plans for the order of repairs such as hallway carpet replacement, sidewalk and curb repairs, etc.

G. Cable/Internet Access

A reminder to all owners that if you want cable TV. in your bedrooms or high-speed Internet access installed, please insure that Media One does not drill any holes in the exterior siding of the buildings. If Media One is not willing to do it, you need to hire a licensed electrician to wire it within. Unit owners are responsible for providing the Natick Green Office with a copy of the contractor's certificate of insurance in advance of working on the Property.

VII. Financial Review

In Elliot Schwartz, Treasurer's absence, Joseph DePalo presented the financial review.

A. Financial Service Contract

As previously mentioned, we decided to convert our current external Financial Services from American Properties Team, Inc. to internal in-house performance. This meant that we needed to research and purchase software to keep these services fully automated. After researching several software packages, we purchased Yardi Professional Edition for Property Management for \$6,062. We purchased a second Gateway Computer for \$3,297.35 and networked the two. We also purchased a Laser printer for \$785. Nancy Mandino, Property Manager and Jennifer Saponaro, Leasing Consultant/Assistant Property Manager, were sent to training classes to learn the new software package. We met with our accountant, Mr. Charles Murphy who recommended certain internal controls due to the conversion that we have in place. We ran concurrent with American Properties Team from February 2000 and gave A.P.T. notice that our contract would be terminated effective May 31, 2000. The Financial Service Contract was \$27,120 per year. Not only will this change prove to be financially favorable but also we feel confident that these services will be performed more efficiently.

B. Fiscal Year Change

We had discussed changing our Fiscal Year in past years due to our Annual Meeting taking place in September and the review of the statements from the January prior was outdated by that time. After the conversion from American Properties Team to in-house, which was effective May 31, 2000, we, with the recommendation of our CPA, decided to change our Fiscal Year end to June 30. This appeared to be the opportune time to change the fiscal year and at the same time, we had a five month stub year audit performed for 2/1/00 - 6/30/00. This would tell us if the conversion was successful.

C. Audits for 2/1/99 - 1/31/00 and 2/1/00 - 6/30/00

As normal business practice we hired Murphy, Liscombe & Edwards to perform an audit for the Fiscal year 2/1/99 - 1/31/00. Please note that the detailed copies of the Fiscal Year ending 1/31/00 audit have not been distributed so as not to create confusion and duplication. These audit figures are included in our five-month stub year audit for 2/1/00 - 6/30/00, which were distributed to all attendees. Any unit owner that wants a copy of the audited statement may pick one up at the Natick Green Office. The audit results proved that the conversion was a success. Charles Murphy, CPA once again said that of all the condominiums that he services, Natick Green continues to be his flagship Property.

In Elliot Schwartz' absence, Nancy Mandino reviewed the audited statement in detail. A synopsis is as follows:

	<u>6/30/00</u>	<u>1/31/00</u>
Total Current Assets	\$429,502	\$448,369
Property and Equipment, Net	<u>\$109,776</u>	<u>\$119,978</u>
Total Assets	\$539,278	\$568,347
 Total Liabilities	 \$ 85,684	 \$119,013
Trust members' Equity:		
Designated for Future Major		
Repairs and Replacements	\$316,827	\$322,610
Undesignated	<u>\$136,767</u>	<u>\$126,724</u>
Total Trust Members' Equity	\$453,594	\$449,334
Total Liabilities & Trust		
Members' Equity	\$539,278	\$568,347
 Total Revenues	 \$282,831	 \$657,049
Total Expenses	\$258,637	\$578,462
Depreciation	<u>\$ 24,194</u>	<u>\$ 15,841</u>
Net Income	\$ 14,902	\$ 62,746

Mr. Murphy reported that for the five months, we were right on target with our projections. The income and expenses were approximately 5/12 of the twelve-month projections. We have since made a transfer of cash in the amount of \$43,470.77 from operations to Replacement Reserves. Since Natick Federal Savings Bank is only insured

up to \$100,000 through FDIC and our cash balance well exceeded that limit, we transferred the overage of funds to new certificate of deposit accounts with three other local banks.

A major purchase to mention was a new Ford 250 company truck in the amount of \$29,631.50 that we bought in October of 1999 for which we paid cash. We decided to keep the old Ford 250 truck. It was financially worth more to keep than to trade it in. It will continue to be utilized daily and will prove to be effective in snow removal with the use of two plows instead of one.

D. Budget 2/1/00 - 1/31/01

When the operating budget was prepared and approved, it was based on the Fiscal Year 2/1/00 - 1/31/01. The decision to change the fiscal to June 30 didn't occur until April 2000. There was no increase in condominium fees. Our fees remain substantially lower than our neighbors, Natick Village and Deerfield Forest. The budget projected a net loss of \$4,161 and did not include any monies to be contributed to Reserves. We will continue to utilize the same budget figures through 1/31/01 and Nancy Mandino will be preparing the remainder of the budget from 2/1/01 - 6/30/01.

VIII. Security Subcommittee Report

Rona Donato, Chairperson of the security subcommittee presented a report of the work that they performed since the subcommittee was formed at last annual meeting. They met with the Natick Police Department, hired a consultant who performed a lighting survey on the Property, held a safety/meet your neighbor party where they had guest speakers from the fire and police departments as well as a certified lifeguard who spoke about safety issues. Rona reminded attendees that we live in a neighborhood and we should be active in a neighborhood watch and report anything suspicious to the police department. We are fortunate to live in a very safe area but in today's world, you cannot afford to let your guard down and should be aware at all times.

IX. Election of the new Board of Trustees

Since we did not have quorum, no election could take place. The Trustees would like those unit owners who expressed interest in being nominated to attend their monthly meetings and to volunteer on subcommittees to get a real taste for condominium association management. A new social subcommittee was formed to discuss the possibility of holding social events at the Natick Green Clubhouse.

X. Open Discussion

An open question and answer period took place.

XI. Adjournment

Joseph DePalo adjourned the meeting at 9:00 pm.

The next regularly scheduled Board of Trustees' Meeting is **Monday, October 23, 2000**. As usual, all unit owners are welcome to attend. If you wish to address the Board regarding a particular matter, kindly request agenda time in writing at least ten (10) days in advance of the meeting. This helps the Trustees plan an organized meeting.