

McReel Owners Association

Annual Meeting
April 30, 2012
Meeting Minutes

The annual meeting of the McReel Owners Association was held in the office of Ruffner Real Estate on April 30, 2012 beginning at 6:30 PM. Owners being in attendance, the meeting was called to order by the President of the Board at 6:30 PM.

Attendance was recorded and proxies reviewed.

In attendance:

<u>Name</u>	<u>Unit #</u>	<u>Ownership Percentage</u>
Florence Ruffner, by speakerphone	1	5.52
Ron Kaplan, by speakerphone	2	3.65
MarkTay	4	5.85
Joe Pearce	11	6.84
Marie Duffy	12	7.45
Phyllis Naditch	13	5.87
Kevin Boucher	14	5.88
Randall Raymond	16	7.91
Dianna Flight	17	7.28

Present by Proxy:

David Atwood	9	2.30
Humberto Valdes	15	7.82
Doug Gray	18	6.30

Total Ownership Present:	72.67%
Percentage Necessary for Quorum:	60.00%

Minutes of the Annual meeting of 2011

The president asked that minutes of the 2011 annual meeting be adopted. M. Duffy moved and P. Naditch seconded the approval of the minutes of the 2011 annual meeting. The motion was adopted unanimously

President's Report of Activities 2011/2012

M. Duffy, President, provided a summary of major activities of the prior year as derived from a summary report prepared and distributed at the meeting. She advised the meeting of the following 2011-2012 activities:

CLARKE ISSUE – 6-22-11—McReel was notified by the police that our building mgr, Robert Clarke, was under investigation for misappropriation of funds regarding other condo associations and asked us to review our records. We did find a variety of inconsistencies. We hired DTCLawyers and with their help, recovered most of our losses. We received \$15,000 from the Clarke claim. We were able to recover fee payments that Eyesight erroneously sent to Clarke. We also recovered the fee for work that was paid by an owner to Clarke but never paid to the workman.

ASSESSMENT OF \$20,000 – This was instituted to cover building repairs. Subject assessment was fully funded and paid by all owners.

BACK STAIRCASE—There were safety issues w/said staircase which were remedied.

AMENDMENT RESTRICTING FOOD ESTABLISHMENTS – This Amendment is the one McReel thought it had in place when the owner of Unit 6 wanted to rent to an ice cream parlor---but it wasn't—it was never recorded—an unfortunate oversight. Now it is in effect.

WATER METERS – Two owners refused the Board's request to install water meters.

AMENDMENT TO COLLECT FEES FROM RENTERS – Copies of this proposed Amendment were distributed to all owners via email. This is a provision made by the State of New Hampshire in cases where an owner refuses to pay condo fees.

WIND, RAIN, SNOW DAMAGE TO REAR ROOF – We hired Lang Construction to repair our severely damaged roof at the back of the building. The damage was covered by our insurance company.

LEAKS – Even after the roof repairs Tay & Tay has leaks to be resolved.

BY-LAWS REGARDING UPSTAIRS EXPENSES – Atty Tay reviewed our By-Laws and everyone was sent his findings in his letter dated 12/15/11. The Treasurer has drawn up a spreadsheet that shows owners upstairs paying a surcharge per square foot upon the creation of those condos.

MAINTENANCE FOR 2012 – We expect to engage Lang Construction to replace the wooden face of our building with AZEK...a non-wood product that will not rot. AZEK is white so we may not paint it unless it becomes necessary. We have asked Mr. Perkins to reseal the cracks in our parking lot.

Budget Consideration

Copies were distributed of the proposed budget for the 2012-13 fiscal years. The President asked the Treasurer, K. Boucher, to comment on the budget. The budget included the Association's cash balance as of April 1, 2012, along with projected expense during the coming fiscal year for various line items.

In response to a question about the separation of upstairs expenses and the differential paid by upstairs residential units, the Treasurer explained the net amount paid by the upstairs units to cover expenses of the elevator, hall and stair maintenance. R. Kaplan expressed his view that the upstairs expenses should be separately billed. It was noted that his would require a separate set of books to track and obtain an accurate account of upstairs costs. F. Ruffner commented on use by all units of the rear entrance. M. Tay commented that the differential paid by upstairs units is one way to cover upstairs expenses. Discussion continued about recording and separating upstairs expenses and dropping the differential now paid. It was agreed more information is needed on the net effect of changing the current practice.

The budget now being under consideration, M. Tay moved and F. Ruffner seconded, that the budget as presented be adopted with a revision to include a line item of \$12,000 in anticipation of hiring a property manager. The motion was adopted unanimously. (A copy is made part of these minutes.)

Election of Directors

By-Laws of the McReel Owners Association (ARTICLE VI - Board of Directors) provide that the affairs of the Association shall be managed by a Board of Directors consisting of not less than three (3) Directors. The term of office for each Director is three years, with non-concurrent terms. Presently five (5) persons are acting as members of the Board of Directors, with the term of one member now ending. Election of one member to serve a term ending in 2015 was in order. Accordingly the following ballot was presented for adoption by the Association:

For election now:

Humberto Valdes

Unit # 15

Term ends 2015

M. Duffy, with M. Tay seconding, moved approval of the ballot. The motion was adopted.

Election of Officers

As a next order of business for the annual meeting, it was agreed that the present slate of officers should continue. The results follow:

President	Marie Duffy
Vice President	Florence Ruffner
Treasurer	Kevin Boucher
Secretary	Randall Raymond

Amendment of By-Laws

Proposed amendments to the Association Declaration and its By-Laws had been distributed to owners with announcement of the annual meeting. Copies were available at the meeting and were discussed. M. Tay explained the provision of New Hampshire statutes related to collection of rent when a unit owner who is a landlord is in arrears. He described the provisions of law that would not make the proposed amendment retroactive.

The documents of the Association require that two-thirds of owner votes be obtained to make an amendment. There being 72.67% of all votes represented in those present or holding proxies, each proposed amendment was considered with a request for negative votes. Voting results follow:

The provisions of the New Hampshire Condominium Act, Section 356-B:46-a, are hereby adopted to amend the Association By-Laws and add to Article VIII, Operation of the Property, a new Section 3. -A, entitled, Rent Collection Upon Delinquency in Payment of Common Expenses, to read as follows:

I. If a unit owner fails to pay the common expenses assessed to the unit by the unit owners' association within 60 days of the date it was due, the unit owners association may, as a separate and additional remedy, subject to the existing rights of a holder of a first mortgage of record as provided in this section, collect from any tenant renting the unit any rent then or thereafter due to the owner of such unit. The unit owners' association shall apply such rent collected against the amount due to it by the unit owner. Prior to taking any action under this paragraph, the unit owners' association shall give to the delinquent unit owner written notice of its intent to collect the rent owed. Such notice shall be sent both by first class and certified mail, shall set forth the exact amount the unit owners' association claims is due and owing by the unit owner, and shall indicate the intent of the association to collect such amount from rent, along with any other amounts which become due within the current fiscal year and which remain unpaid. A copy of such notice shall be provided to any first mortgagee of record on such unit who has previously requested in writing that the unit owners' association notify it of any delinquency in the payment of amounts due to it by the owner of such unit.

II. The unit owner shall have 30 days from the date of mailing of such notice to pay the amounts due, including collection costs, or to provide proof of the prior payment of the assessments due. No unit owner shall be entitled to withhold payment of assessments due, off-set against the same, or make any deduction therefrom without first obtaining a determination by a court of competent jurisdiction that the assessment was unlawful.

III. If the unit owner fails to timely file a response in compliance with paragraphs I and II, the unit owners' association may notify and direct each tenant renting such unit from such owner to pay all or a portion of the rent otherwise due to such owner to the association, such rent or portion of such rent to be in the amount the association claimed is due on its notice to the unit owner or the full rent, whichever is less. The association shall have a continuing right to collect any rent otherwise payable by the tenant to such unit owner until such amount, plus any charges thereafter becoming due, are satisfied in full. Nothing in this section shall preclude the unit owner from seeking equitable relief from a court of competent jurisdiction or seeking a judicial determination of the amount owed. Nothing in this section shall prevent the unit owners' association from bringing an action under the State condominium act or to otherwise establish the amount owed to it by the unit owner or otherwise to seek and obtain an order requiring the tenant in such unit, or tenants in other units owned by the unit owner in the condominium, to pay the association rent otherwise due to the unit owner or otherwise limit the unit owner's association rights at common law.

IV. In no event shall a unit owner take any retaliatory action against any tenant who pays rent, or any portion of rent, to the unit owners' association as provided in this section. Any tenant so paying rent shall not be deemed in default of the rent to the extent of the payment to the association. Any waiver of the provisions of this section in any lease or rental agreement shall be void and unenforceable as against public policy.

R. Raymond moved, with K. Boucher seconding, that the amendment of the By-Laws be adopted. The motion was adopted by a unanimous "yes" vote of 72.67 % of owner votes.

Discussion of means of handling late and unpaid fees followed. F. Ruffner reported that she had been advised that the rules of the Association may have previously been amended to provide for a late fee of \$25.00 if condominium fees are more than two weeks late. There was no recollection of this policy among those present. R. Kaplan stated he would not agree with said policy. No motion was made to change the rules now in effect which provide for interest on late payments.

Maintenance plan

The President repeated the earlier report that present plans for maintenance include replacement of the storefronts with AZEK material and resealing of the parking area cracks.

Other Business

There being no other business, R. Raymond moved the meeting be adjourned. All were in agreement.

The meeting was adjourned at 7:34 PM.

Respectfully submitted,

Randall P. Raymond, Secretary

(Adopted at Annual Meeting April 30, 2012)

**McReel Owners Association
2012 – 2013 Budget
FYE March 31**

Beginning Cash Balance 4/1/12		\$21,867.55
Return of Principal		<u>\$15,075.25</u>
Total Operating & Reserve		\$36,942.80
Condo/Utility Fee		\$41,935.92
Special Assessment		<u>\$ 0</u>
Total Income		\$41,935.92
Management Fees	\$12,000.00	
Insurance	\$ 5,146.00	
Water/Sewer	\$ 3,148.11	
Electrical	\$ 3,693.75	
Phone	\$ 375.04	
Trash	\$ 2,230.97	
Cleaning	\$ 960.00	
Elevator	\$ 300.00	
Fire Safety	\$ 575.00	
Fire Alarm Monitoring	\$ 80.00	
Bookkeeping Fees	\$ 4,200.00	
Accounting	\$ 250.00	
Bank Fees	\$ 0.00	
Snow Removal	\$ 3,000.00	
State of NH	\$ 100.00	
Yardwork	\$ 800.00	
Legal	\$ 1,598.50	
Roofing	\$ 5,755.00	
Carpentry	\$16,500.00	
Plumbing	\$ 0.00	
Painting	\$ 0.00	
Other	<u>\$ 980.00</u>	
Total Expense	\$61,692.37	
Net Income		(\$19,756.45)
Ending Cash Balance (Projected 3/31/13)		\$17,186.35