

## MINUTES

### RIMFIRE LODGE ANNUAL HOMEOWNERS MEETING August 3, 2013

The meeting was called to order at 10:05 AM and a quorum was established. Board President Bob Hall, along with Board members Tom Hartman and Amy Aubin were present in person. Property Manager, Kevin Wingfield, Junior Accountant, Tammy Roy, Accounting Clerk, Jerri Sipe, and Administration Assistant, Pam Turner were present. Homeowners in person were Greg Gordon, Clifton Good, Steve Cox, Kevin and Susan Elvin, Amy Hudgens, David Shifflet, Margaret Matheson, Elam Hall, and Sam Gibson. On the phone were Gregory Malone, Allison Carr-Chellman, and Tamra McAtee. By proxy were Gary Waybright, Richard Hall, Terri Justice, Allison Carr-Chellman, and Tamra McAtee. Snowshoe President & COO, Frank DeBerry, Snowshoe Director of Lodging, Alan Cain, Seal Engineering, Inc. Project Associate, Michael Kleinfeldt and the attorney representing the Rimfire HOA, Jeff Zurbuch were also present.

Kevin then introduced Snowshoe President & COO, Frank DeBerry to give an update on status of incorporating, as requested.

Frank explained what the current Mountain Top Assessment (MTA) supports and there are 14 different versions of MTA contracts with some having a CPI increase clause and approximately four that do not have any legal obligation to pay the MTA. Snowshoe cannot force these to pay the MTA, but do have a standing agreement with three that they will pay like all the others and the one is starting to pay some towards the MTA. The issue with this current system, it is only handling the operations today but that is all. Although Shavers Fork Fire and Public Safety is fairly well funded right now, there will be future needs. Frank announced that Public Safety Supervisor staff will be armed again for protection since law enforcement is over 30 minutes away. Snow removal depends on weather and if we have a great snow year, this causes more dollars to be spent toward snow removal meaning less dollars that can be spent in other areas. Some other resorts have the individual HOA's run their own shuttle service for their location. Others have a master association that has a board with resort members and owners that decide how and what is spent as one committee. At Snowshoe we have looked at different ideas, such as a municipality or a resort area district (RAD). After speaking with all the HOA presidents, they did not like the municipality approach but suggested the RAD since it would better represent the homeowners than a municipality would. So the RAD is the direction the resort is moving towards. The basic WV law allowing this went into effect mid-July. Now a petition will be sent out to the county, next a public meeting will be scheduled, then the opportunity for someone to protest via petition process exists and if 25% sign a petition against the district, it dies. If approved, board candidates have to be presented, once established, the board would establish by-laws, etc. The advantage of a RAD over a municipality is that it will generate more revenue that could be used to enhance the resort more in landscaping, walking path upgrades, public safety, road repairs, etc. This would be determined by the board. If needed the board could get a loan at a cheaper rate like a public service company. The Board of Directors would consist of 7 members with Snowshoe initially holding 4 of the seats (two resort representatives – Snowshoe, one undeveloped property – Snowshoe to start, one commercial space owner (being Snowshoe to start with) and three homeowner seats – for which the HOA Presidents would submit candidates. This board could possibly start a Ranger program. This Board of Directors has no right to charge taxes, but can only change the fees, such as the resort service fee or single special assessments for capital infrastructure projects. If anyone has questions or concerns about the RAD they can contact Frank directly at [FDeBerry@snowshoemountain.com](mailto:FDeBerry@snowshoemountain.com) or 304-572-5990.

Kevin then introduced Snowshoe Director of Lodging, Alan Cain, to give an update on the new unit rating system and Q&A on housekeeping, as requested.

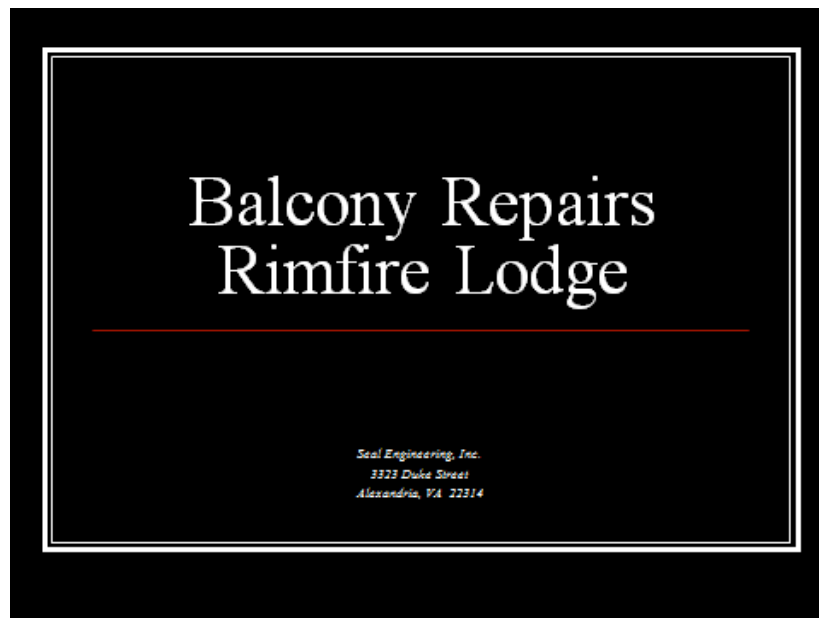
Snowshoe has changed from the complex to an individual unit-rating program. This is very meaningful to resort guests. Since the change there has been a decrease (almost half) in guest complaints since they know what they are getting before they arrive. There are four rating types with this new system,

which are superior, deluxe, standard and economy. Snowshoe rental is in need for more superior units. At this time, there are no superior units in Rimfire. Rimfire is mostly deluxe and some standard. We will be going to 300-count sheet sets, with the bottom sheets being fitted. Alan clarified that mattress pads are provided by Snowshoe Housekeeping. A few homeowners stated issues they were having and Alan took note of these so he could follow up and have them fixed. If anyone has any questions or concerns about the new rating system or housekeeping they can contact him directly at [acain@snowshoemountain.com](mailto:acain@snowshoemountain.com) or 304-572-5869.

During the Q & A period:

1. **Can a specific unit be requested when making a reservation?** Yes, but no guarantee in case an issue comes up.
2. **Can the website event calendar be kept more up to date so people booking can see what events are going on?** The marketing department is being more organized and getting a handle on being a head of the pace.
3. **Does housekeeping inspect units for damage after each checkout?** Yes, the staff inspects during cleaning of the property, if there is an issue, they contact owner services/public safety immediately, and so they can charge the guest folio. Two owners gave examples of cases where this was not done and requested that housekeeping do a better job reporting damage immediately after a guest has checked out so the guest can be charged for any damages, rather than the homeowner having to pay for the guest's damages.
4. **Does maid service have to be in every room, every day? Could it not be every other day or use the cards about passing on maid service for the day and then give a credit to that guest?** Would have to be all or nothing for the Rimfire owners. Alan will have Homeowner Relations poll all the Rimfire homeowners with options for them to vote on. Once the results are received, he will forward them to the rental homeowners.
5. **Can the soap bars be changed out since they are so small, would like to have a little larger bar does not have to be a full size bar?** Alan will look into this. We currently use a 1 oz. bar, but there is a 1.5 oz. bar available that Alan will investigate.

Kevin then introduced Seal Engineering, Inc. Project Associate, Michael Kleinfeldt to give an update on the balcony concerns. Michael gave the following PowerPoint presentation.



## Background

- July 2012 - Balcony Waterproofing Investigation and Report by Seal Engineering, Inc.
- January 2013 - Test Balcony Waterproofing Replacement with Seal Engineering, Inc. and Vatica Contracting, Inc.
- April 2013 - Design Completion and Bidding

## Current Status

- Liquid-applied urethane membrane (majority) over wood and concrete substrates at Unit balconies and Common area balconies (roofs)
- 14 years old
- Range from fair to poor condition; conditions worse at the west elevation
- Leaks around and below balconies (interior/exterior)
- Repair attempts from patching to full membrane replacement; varying results
- Deteriorating wood and other components



## Current Status

- Sliding glass door sills too low/set directly on plywood deck
- Vulnerable sliding glass door situated over interior space
- Utility closet door sills too low
- Poor edge termination
- Outer I-joist wall penetration extremely vulnerable



## Test Balcony

- Unit 209
- Removed wood railing
- Removed sliding glass door and utility closet door
- Removed existing membrane and plywood deck
- Removed adjacent siding



## Test Balcony Findings



Outer I-joist rot



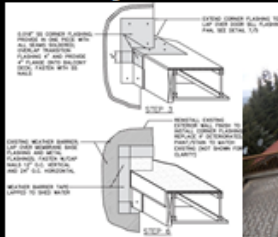
Rim joist and fascia board rot



Interior gypcrete floor topping and wood subfloor rot

## Design

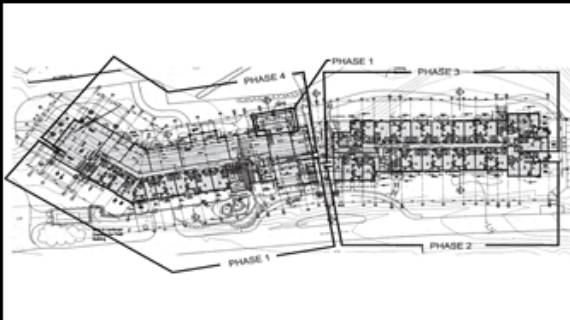
- Replace plywood substrate
- Repair rot at balcony and immediate areas
- Raise door sills
- Protect critical areas with metal flashings
- Tie into existing weather barrier



## Bidding

- Received 4 bids ranging from \$733k to \$1.7 million
- Recommended Tygarts Valley Construction
  - Lowest Bid by just over \$200k
  - Familiar with property
  - Local
  - May sub-contract waterproofing installation to James R. Walls Contracting Co., Inc. A roofing and waterproofing company we have worked with on numerous projects in the past as well as a bidder on this project

## Construction Phasing



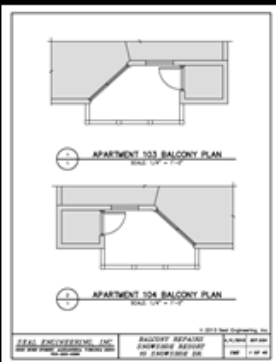
- Proposed Phasing by elevation and tiers
- This plan is a work in progress to be fine tuned by Building Management and Construction Team

## Construction Expectations

- Noise
- Dust
- Odors
- Staging area
- Equipment on site
- Unit Downtime
- Length of time to complete project



## Construction –Tracking Repairs



- Sliding Door Removal and Resetting
- Remove Sliding Door, Modifying Framing, Reset Door
- Replace Deteriorated Plywood
- Replace Deteriorated OSB Sheathing
- Replace Balcony Post
- Replace Balcony Railing Section
- Replace Rim Joist
- Replace I-Joists
- Repair Gypsum Board (Interior)
- Repair Gypcrete Floor Topping (Interior)
- Replace Fireplace Hearth Stone
- Replace 2x10 Fascia
- Replace 2x12 Fascia
- Replace 1x6 Sill Plates
- Replace Deteriorated Wood Siding
- Replace Deteriorated Wood Trim

Q & A:

1. **Which decks are included in the design and bidding?** All decks were included.
2. **Of the balconies with a concrete surface, some have a sloping issue; will this be fixed during this process?** I checked the specifications/drawings and we did not specifically address this, we included correcting "deficiencies" such as cracks. We will address this and look at options to include.

Kevin then introduced the attorney representing the Rimfire HOA, Jeff Zurbuch, to give recommendations on the balcony issues.

Jeff is an attorney with a private law firm in Elkins, Busch, Zurbuch & Thompson, and has represented several HOAs at Snowshoe over the years both in a consultation role and on occasion involved in litigation either representing as a claimant in a case or defending them in an accident case. The main reason for attending the meeting today is so that owners know the options they have for funding the repairs that Michael was just talking about.

The first part is the assessment route. He has not looked at anything in terms of any loans and knows this was something that was being looked into. But in terms of assessment, his understanding of repairs that are contemplated in large part will include limited common elements that are associated with a particular unit or units. These types of expenses for repairs are to be paid according to the declarations through special assessments. What this means is an estimate is needed before-hand, or after the fact, based upon the information the contractor develops while actually performing the repairs to determine just how much of these expenses need to be contributed to the various units. The special assessment would apply to the units with balconies that are repaired. There are likely going to be other repairs that are not unique to particular units or balconies, like roofs. Also, some of the areas under the balconies might need to be repaired during the course of construction, and they might not be considered limited common elements but are general common elements. This would be considered a general assessment that would be shared with the whole condominium based upon percentage of ownership, which he thinks, is based upon square footage as compared to the rest of the units. So, there needs to be some determination made as to how to contribute the \$733,000 expense among the units and how much of that will be through a special assessment to the individual units whose decks or balconies are repaired. The rest would be a general assessment based upon the general common elements being repaired. Again talking with Michael the most accurate way, as he understands it, would be after the fact, after the work is done. Then we would have the data generated by the contractor on his checklist to show what went into repairing a particular deck because not all the decks are the same. Some have concrete decks, different levels of decks, some on the west side, some on the east side and the west side gets harsher weather so you could assume the damage there could be worse. The Rimfire HOA declaration is what controls what the HOA does to pay for something like this. If there is no other source of funds available, the special assessment would pay for the bulk of it. The general assessment would pay for any of the common elements that are affected. We currently do not have an estimate of how much would be contributed to one or the other. It might be possible for the engineers to put together an estimate ahead of time to give us a sense. But, it seems like information generated by the contractor actually doing the repairs is the best way to go to determine the split between the special assessment and general assessment.

Limited common element is a common element that services one unit or specific units; it is not shared by all condominiums together. A perfect example of a limited common element is a balcony. In fact, it typically services one unit and it is a common unit but is on the exterior and fits the definition of a limited common element. A hallway normally would be a general common element. There is a definition of a limited common element in the declaration itself. There is also an example of how special assessments work and are used with limited common elements. The particular example given is of an exterior deck being repaired according to the declarations. This is a good example of limited common element repair to be taken care of through a special assessment. Therefore, the association really does not have much, if any, wiggle room in terms of paying for specific deck or balcony repairs. A special assessment is pretty much required. To be clear about the wiggle room, if the association concludes it is going to fund these repairs then part of the repairs that entail repairing the limited common element exterior balconies there is not wiggle room because it is to be paid for through special assessment versus a general assessment. He is not saying that we do not have any choice as to whether or not we make the repairs at all. If the association decides it is going to undertake these repairs, which it has the right to do, and it is going to pay for them, the part of the decks that are considered limited common elements need to be paid for through special assessment as opposed to general assessment. So for units that do not have balconies, a special assessment would not be made against those units because they do not have a balcony, thus they do not have a limited common element that is involved here. The special assessment would be special to a particular unit. There are going to be some common expenses that do not involve limited common elements; for example, this would include things like roofs, some sides of the building that are in need of repair because of this work that are not unique to a particular unit. Those would be considered general common elements that would be paid for through a general assessment that would be shared by everyone based on the size of their unit. There is a formula in the declarations on how this is set out. The commercial units have 10% of the general assessments, the residential is 90% based upon the square footage of the total. This is how the declaration provides the association to pay for repairs for both the general common elements and the limited common



elements. By and large it looks like you are mainly dealing with a special assessment here because you are talking about the exterior balconies, but there will be some general common expenses.

The Executive Board had asked Jeff to look into the fact that the engineering company made the point that some of the decks were designed improperly. They are sloped so water runs toward the building and the question was raised to Jeff, if that was the case, can we sue either the architect or the construction company and get something back even though it happened 14 years later it is a result of their mistake.

Jeff, moved on from the assessment to potentially seeking to get this paid for by the architect or the contractor who built Rimfire. Rimfire was completed in 1999, which is 14 year ago. The biggest problem with pursuing litigation over this is the amount of time that has elapsed. In West Virginia, there is a particular statute of limitation that is referred to generally as the architect and builders statute of 10 years and typically when the architect and builder are finished with the project and turn it over to the developer or the owner the clock starts ticking, then no lawsuit is allowed after 10 years have passed. So if that were the case here, by 2009 we would be out of luck and unable to pursue anything. There is no discovery rule that is available with regard to that statute; it is a hard and fast rule, it does not matter when the problem crops up, whether it is eleven years or fifteen years after construction is over, if 10 years have passed then you are out of luck. The one thing that might save the association to preserve a possible claim to get some help in paying for these repairs is that in about September 2005, the contractor, Branch and Associates out of Roanoke, VA, came back and did repair work on about 19 decks. He thinks they re-sloped the decks and raised the doors up. Mike talked earlier about how the sliding doors were constructed right on top of the plywood. The contractor came in 2005 and raised the level of the doors up about an inch or so and they might have changed the slope of the deck at that time as well. There is some authority in West Virginia that when a contractor does work and comes back in for repairs that it starts that 10 year clock all over again. So we are within that 10 year time period now. It is not as simple as that through. There are two end points within that 10 years. There is also a statute of limitation of two years for negligence claims, and 5 or 10 years for breach of contract claims, depending on whether the contract was in writing or a verbal warranty. He understands that some of the problems with the decks and the water damage have been discovered recently and with regards to a negligence claim for improper design or construction you may be able to assert a claim based upon a discovery saying this just cropped up. The engineering company did their inspection of the decks in 2012 so at least we would have a straight forward argument that we are within the statute of limitations for a claim like that and certainly, we are well within the 10 years of when the repairs were done in 2005. The statutes of limitations are a problem here, probably a bigger problem in pursuing a claim against the contractor and architect within the merits of claim itself. Jeff is not an engineer or a design professional or anything of sort, but there is certainly enough to point to here to establish a plausible claim with the height of the door from the deck, or the slope of the deck, and the fact that the water proofing did not extend over the edge of the patios to the balconies when the repair work was done in 2005. So, there is a potential claim here and if we decide to pursue it, before the repairs and the construction is untaken, you really need to give notice to the potentially responsible parties, the contractor and the architect, that we are going to be repairing the decks because if we didn't give notice and we subsequently decide we are going to pursue some type of legal action, they could cry foul and say the evidence was destroyed and they did not have the opportunity to inspect anything and that could affect the ability to pursue a claim. So (1) if we decide we are going forward with the repairs and (2) if we will or may be going forward with trying to get the architect and/or the contractor to contribute, then we need to put them on notice and give them an opportunity to come in and do what they want to do, for example, some type of non-destructive inspection of the decks that are going to be repaired. Otherwise, we could be at a disadvantage when it is time to go to court and try to get them to pay something. Jeff said he didn't want to minimize the fact that they are going to assert a defense if we do decide to bring something to court that is too late. They are going to make this argument, but we do have a straight forward argument that it is not too late since they attempted repairs back in 2005 and that leaves us well within the window for pursuing a claim. Also under West Virginia law, and this was recently determined by a West Virginia Supreme Court case, that a homeowners association does have standing to bring suit on behalf of the individual owners. So if we

decide to go this route, it would involve necessarily the individual unit owners being plaintiffs, the association would have standings to act as the plaintiff during the lawsuit, likely in the Circuit Court of Pocahontas County, on behalf of the owners. It would not be all owners, but just the owners that have problems with the decks, who are willing to have the association pursue a claim like this for them. Jeff does not know a whole lot about the repairs that were completed in 2005, but what he does know is there were approximately 19 decks that were worked on. He does not know how those 19 decks were selected but they did repairs on those 19 decks and he does not know if they looked at all decks, or if there was documentation in terms of a written contract at that time for what they did. Kevin stated the developer selected what decks were worked on and he does not know what method or what the contractual agreements were and the HOA primary contact was with the developer who then would have the contractor do the work. Jeff stated the developer was Intrawest, and Kevin stated that is correct. Jeff stated that Intrawest was the developer and the declarant, assuming that most of the owners attained their units from Intrawest. There is also potential for a claim against the declarant and the developer; they did not do the work but they are the ones you dealt with when attaining your units so that is at least a potential. As a potential claim against the builder and the architect, he does not know what role the architect had in supervising the construction but assumes there is some role. An owner asked if this is something if we determine as to whether to go ahead to give notice to the contractor and the architect about the pending repairs. Is this something that could happen now or do we have to wait for some length of time. Jeff does not see any reason we would have to delay giving them notice right away. We do not necessarily have to say we are going to sue but say we are going to engage in these repairs and there is at least a prospect there may be a claim made in the future, so we are giving an opportunity if they want to inspect. So it doesn't commit us to pursue a legal action but it puts us in a better position if we decide to do that. Jeff said if the association decides it wants to pursue a legal claim we do not want to wait very long because there has been a lot of time that has already gone by and a court may ultimately decide it is too late. So the sooner we make that decision the better, in his opinion. To answer the question, we could go ahead and give notice to the contractor, architect, and Intrawest right away. The Board President asked if there was anyone in the room that would object going ahead and giving notice and that he agrees we should do it right away. Even though it means spending more money on the attorney he thinks it is money well spent in giving notice to the parties that we might potentially sue so that they would have the opportunity to come in to inspect for themselves before we make the repairs because that would destroy the evidence. Jeff restated for the people on the phone, that it was just asked if anyone has an objection to giving notice to the contractor and architect about the repairs and the potential for a claim so that they would have the opportunity to come in and inspect for themselves. No one in the room or on the phone objected. An owner asked how much time we have to give them to inspect if we go this route and Jeff does not think there is a set answer to that, a court would probably tell you a reasonable amount of time he thinks. A matter of a few weeks or a month or two would be sufficient. The suggestion was to let them know when you were expecting to start work and they would realize they would have to come in before that time to do an inspection, and Jeff agrees with that. The Board President stated once we start work, they are not going to be able to get this all done right away, the window keeps narrowing, the longer we wait. It took longer than expected to get the engineering study done, and to get the work done on the one test case. We are still working with two banks trying to get a loan and we can't start the work until we have the money. He asked if we go ahead now and give this notice what would our best guess be if the banks come through with the money and we tell the construction company to start the work. Kevin said they probably will not start for a couple of weeks because they will have to order materials and do scheduling, so we are probably talking the very earliest to be the first of September and they will probably only have two months before the weather makes them stop. So they might get Phase I done if that is 50 days, best case scenario. So if we go ahead next week and give notice, that would give two to four weeks for them to come and inspect. Bob thinks they could do this before we hammer one nail. Jeff said another thing we might include in that notice, if we decide to go that route, is to invite them to offer something to help out with the repairs to avoid the prospect of going to court. This would be a good opportunity to do that. Of course, arrangements would need to be made with someone to be here to give them access to decks they want to look at. Kevin stated he would certainly be here. An owner asked if he would also provide the opportunity for them do the repairs. Jeff stated it would be worth considering and thinks that could be included in the letter as well.

Of course, they would have to do the repairs according to what the engineering company has stated. One concern with this is it could delay the process because they are going to say they want to investigate and Jeff agrees with this as well. Certainly if there is any offer on their part to do that, we would want to have some agreement to stay within the statute of limitations so we would not be losing out on the right to go to court, if need be. A few cases have taken place at Snowshoe, not exactly like this but with similar type of parties. Typically, what happens is litigation is initiated and whoever is being sued is going to go to sue somebody else. Whether it is a subcontractor or a supplier and before you know it, you can have a whole host of people in the case as a defendant. It may start out with just a couple, these cases typically mushroom and end up with a lot of people as defendants. So, it can become a pretty involved litigation and it is something that people take seriously. He does not know if Branch and Associates had subcontractors involved or not, but they may well have and they would probably bring them in if they did. There will be insurance involved if you go that route because people are going to have error and omission insurance and they will typically provide a defense in addition to the architect and contractor. A question was asked whether the litigation would be just for the 19 decks they did in 2005 and Jeff's answer was that he hopes not but it all depends on how the statute of limitations would be interpreted by the West Virginia court. It is initially a matter by the Circuit Court in Pocahontas County and the reason we would be in state court it seems to him is that we had an architect from Fairmont, WV. We would not have the diversity in federal court jurisdiction so he thinks if the case would be brought to state court the proper venue would be Pocahontas County in Marlinton. There were 19 decks repaired in 2005 and we think and hope that extended the statute of limitations for the association. What he would argue and suggest, when the time comes or if we get to that point is that undertaking the repairs in 2005 of 19 decks these were inadequate repairs with respect to the whole condominium that they should have and could have at that time repaired all the decks. That would be our argument, but he can't promise that it is a winning argument, and this is why he said he hoped it would apply to all decks, but he bets the defendants in the case would try to suggest that to the extent to the statute of limitations did get extended then it only applies to the work that was done in 2005. An owner asked what if the unit was purchased within the last two years; can I go back against that inspector or the previous owner? Jeff said, yes potentially, but today he is only talking about what the homeowners association can do. He has only been looking at this as a possible claim against the contractor and architect for the original construction and the repairs in 2005. He does not mean to suggest that any one that has some problem with a prior owner or contractor that they have used, or someone that has made representations to you about your unit, that you might not have potential for legal action there as well. The Board President asked if we are all in agreement that we want Jeff to immediately, on Monday, to go ahead and start working on this notice. An owner asked do we have the money in the budget or in the reserve to pursue this legally and who is paying for the preparation of the legal investigation? The Board President responded the homeowner association has the funds and will cover legal costs. The owner stated also for clarification as he understands it, we are talking about having the attorney prepare a letter; there is no legal case, no legal challenge, no legal activity; someone is drafting the letter to send to Branch, and others, that says notice is given and that is the extent of our exposure in terms of pursuing legal action. The Board President said that is right and we need to decide if it goes just to Branch or do we want to include Intrawest at this point. He said his suggestion would be anyone that we may want to potentially sue, the architects, the construction company and Intrawest should get the letter. This would be Jeff's recommendation and he agrees with what he mentioned, his understanding is what you are talking about is having him send a letter or letters to those people that he is not being told that he is authorized to do anything more than that. Just to send them the letter and put them on notice about the prospect of repairs to be done and they have the opportunity to come in and inspect the balconies and of course, they can let us know if they want to offer to help in paying for the repairs as a settlement. One Board member stated that he does not see why the Board could not make this decision and the other thing is it is possible in assuming that the 19 repairs were covered by a warranty. Kevin does not know who paid for it but Branch Construction did the work. An owner asked about the warranties, Kevin stated the developer provides only one year on their construction, the roof is under warranty for 30 years but the shingle manufacturer gives you this warranty. Jeff stated that he really had not talked much about the developer, the declarant Intrawest, but under the West Virginia Common Interest Act the law that covers condominiums, it provides a 6 year statute of limitations for developers and declarants on warranties. So, at least for some claims

against the declarant they may well be time bared but his view is it does not hurt to include them on a letter of this initial matter to put them on notice. Now there is also the prospect for the developer to include in their individual contracts with the buyers a shorter time limitation of down to two years for certain types of claims. He does not know if any of you would have agreements like that with the developer but it is a possibility as well, which could defer the limit the exposure, at least for Intrawest. An owner commented that by including Intrawest it gives us the potential of them putting pressure on the contractor, since it was Intrawest that had the contract with the construction company.

During the discussion, it was asked if our insurance carrier has been told about these issues. Kevin stated that the insurance carrier is aware of these issues but from an insurance perspective there is no coverage for contractor defects or poor design. They will cover an incident but from the insurance company's prospective they will consider this a maintenance issue. It is the association's responsibility to maintain the building. He has asked this question before and it is not anything that is contained in the insurance coverage. In terms of these types of repairs, it is not the responsibility of the insurance carrier or coverage. Jeff has not looked into what the terms of coverage is but what Kevin stated makes sense to him in terms of other policies he has seen. It is not something that he would think your coverage would cover.

An owner asked the cost per unit for these repairs in terms of the special assessment. Jeff stated he did not know, but the total amount is \$733,000. The owner asked so how many units would this include. Kevin stated there are approximately 100, so the owner stated then approximately \$7,300 per unit. The Board President stated that is disproportional because of the common area that might be involved and limited common elements involved but the \$7,300 would be the maximum. What they were saying was we would have a better handle on this after the work is done but the other option is using the engineering company to give us an estimate up front and just go with their estimate. Maybe they can come up a number like 20% of the cost would be a general and the rest would be the limited part. To do it after the fact is going to be a little more difficult because we would do what we did when we did the other exterior work. We will try to get a loan so we can go ahead and get started and then give those who are being assessed the opportunity to pay up front, and if they can't, then those paying over time will be charged an interest rate equivalent to what the bank is charging. We could come back after the fact, as another option, with a final assessment and charge those that had more damage the additional amount and reimburse those who had less damage. But we have to get the money up front to do the work. The longer this sits the worse the damage is and there is potentially more damage. There is a safety issue too, you don't want a renter stepping out on that balcony and falling two or three floors.

Kevin stated one of the critical things he has noticed, and he has been here the whole time since the work was done in 2005, is the failure to protect the exterior edges. You can't see them but there is a fascia board that hides them and you can't tell until that board is taken off, but it is just plywood and it is exposed to the elements and it is not pressure treated. They put a membrane coating on but they did not extend it over the edges and something facing the west up here, and the hand rails, are attached to those so when the plywood starts to degrade then the hand rails start to go; this is when you have a lot of risk involved. Even of the 19 they fixed he is not aware of them fixing those edges or addressing the water penetration in those areas.

The Board President asked Jeff if he will go ahead and send the letter out as soon as he can. Jeff stated he would send him a draft of it before sending it out and maybe to Kevin too.

The first official business was to elect the new Board. For the three available positions, the five candidates were the current Board members: Bob Hall, Tom Hartman, and Amy Aubin and in addition Kevin Elvin and Gary Waybright. There were no new nominations from the floor, and after voting the new Executive Board will be Bob Hall, Kevin Elvin, and Amy Aubin, effective immediately.

Tammy Roy and Kevin Wingfield then presented the following PowerPoint presentation concerning the recent financials with the Board-adopted budget for the coming fiscal year and the maintenance update.

**FINANCIAL REPORT THROUGH APRIL 2013 (preliminary year-end subject to audit) – by Tammy Roy**

NET INCOME OVER BUDGET BY \$23,437

REVENUES EXCEED BUDGET BY \$6,300

- Parking revenues under budget by \$600
- Resale fees - Collected \$2000, over budget by \$1,500
- Late fees – Collected \$7,600, over budget by \$7,100

TOTAL EXPENSES BELOW BUDGET BY \$17,000

Common: Below Budget by \$10,000

Due to savings on:

- \$6,000 on Building Maintenance
- \$1,000 on Hardscaping
- \$1,000 on Insurance
- \$1,400 on Landscaping
- \$2,000 on Legal Expense
- \$3,500 on Loan Interest
- \$2,500 on Snow Removal

Off Set by:

- \$1,100 overage on Alarm System Maintenance
- \$6,800 overage on Sprinkler Maintenance

Shared: Below Budget by \$1,700

Due to savings on:

- \$2,500 on Building Maintenance
- \$6,000 on Electricity
- \$2,700 on Emergency Light Maintenance
- Off Set by:
- \$3,200 overage on Cleaning & Janitorial
- \$6,700 overage on Elevator Maintenance

Residential only by Percentage: Over Budget by \$8,500

Due to overages on:

- \$8,500 on Garage Repairs and Maintenance
- \$6,000 on Hot Tub Expense

Off Set by:

- \$5,000 below budget on Building Maintenance
- \$500 below budget on Health Club Maintenance
- \$500 below budget on Parking Lot Expense

Residential only split Equally: Below Budget by \$14,600

Due to savings on:

- \$6,100 on Internet Services
- \$12,000 on Propane

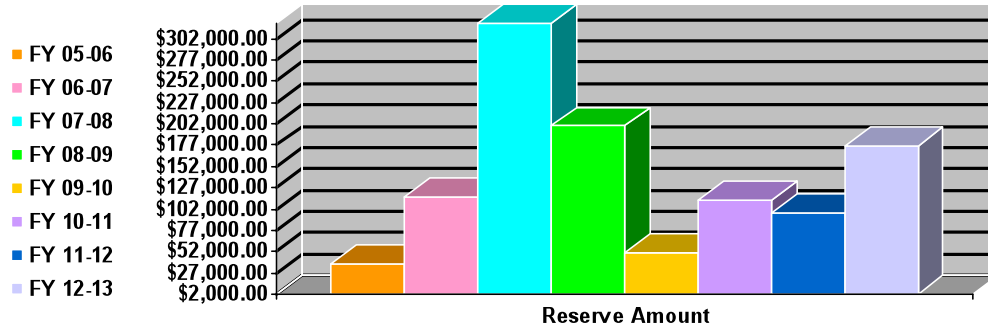
Off Set by:

- \$3,500 overage on Residential Trash Removal

## BALANCE SHEET

As of April 30, 2013

Reserves at \$175,521.53



Market Value of Reserves as of July 31, 2013

- Prime Money Market at \$162,070.24
- International Stock at \$8,484.27
- Total Stock at \$4,967.02

## LOAN BALANCE UPDATE

Loan balance at \$7,000

Paying down at \$5,400 monthly

Payoff due July 2014 – will pay off by September 2013

## ASSESSMENTS RECEIVABLE

11 units over 90 days delinquent

7 liens on property

## BUDGET FOR FISCAL YEAR 5/1/2013 – 4/30/2014

### EACH LINE ITEM OPERATIONALLY REVIEWED

#### Increases

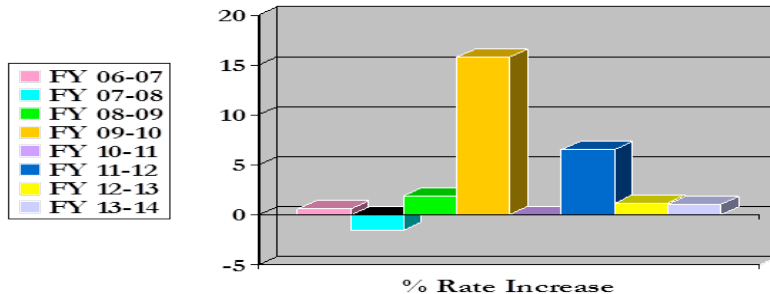
- Elevator Maintenance
- Satellite TV - Residential
- Alarm System Monitor & Maintenance
- Sprinkler Maintenance
- Carpet Cleaning
- Emergency Light Inspection
- Major repairs and
- Trash removal residential

#### Decreases

- Insurance
- Loan interest expense
- Snow Removal
- Electricity
- Parking Lot Expense
- Propane

## History of Rimfire Assessment Rate Change

Average residential rate increase of 1.02%



Average rate increase in residential assessments since 2006-2007 is 3.18%

### **Maintenance Update** – by Kevin Wingfield

#### Completed

- Inspections – Elevator / Alarm System / Backflow Preventer / Fire Extinguisher
- Emergency And Exit Lighting – October through March - Inspection Provider Terminated Service – Seeking New Vendor
- Increased Sprinkler System Inspection Schedule – Annual To Quarterly
- Common Area Slate Cleaning, Repairs, and Sealing
- Garage Pressure Wash, Resealing, and Restriping
- Elevator Repairs – Replaced North Elevator Hydraulic Pump
- Fire Alarm System Repairs – Circuits Not Reporting To Panel Properly
- Repairs To Garage Carbon Monoxide Detection System – Control Panel and All 5 Sensors Replaced
- Garage Door Repairs and Regularly Scheduled Preventative Maintenance
- Health Club Equipment Preventive Maintenance
- Replace Health Club Elliptical Machine
- Miscellaneous Exterior Water Penetration Identification and Temporary Repair
- Prototype Deck Repair (In Conjunction With Engineers Recommendation and Supervision)
- Installation Of Carbon Monoxide Detectors In Attic, Hearth Room, and Hot Tub Equipment Room – New WV State Law
- Common Area Painting – Hallways and Stairwells
- Replace Video Surveillance Recorder

#### In Process

- Common Area Carpet Replacement – Elevator Landings and Hallway From Upper Lobby To South Elevator Landing
- Common Area Carpet Cleaning
- Roof Repairs – Missing Shingles
- Lightning Protection System Inspection and Repairs
- Sprinkler System Repairs
- Hot Tub Tile and Coping Stone Repairs
- Replace Stairwell #1 Exit Door To Stairs (Exit By Foxfire)

#### Under Review

- Deck Repairs
- Refinish Hot Tub Gunitite Surfaces – Below The Water Line
- Surface Treatment and Painting West Side Of Building – 2014 (Petrified Wood Surfaces)

**Other Business**

The meeting adjourned at 2 PM