

FARRWOOD GREEN CONDOMINIUM II

49-176 Farrwood Drive
Haverhill, MA 01835

March 1, 2016

TO: Homeowners of Farrwood Green II

FR: Property Management of Andover

RE: Letter from Board President/Annual Meeting

Dear Neighbors,

Enclosed you will find a letter from the Board President, Jonathan Campbell. We ask that you please take the time to sit and read the letter regarding the state of the Association.

It is also the time for our Annual Association Meeting. This year the meeting will be held on **Tuesday, March 22, 2016 at 7:00 PM** at:

OSGOOD LANDING
1600 Osgood Street
North Andover, MA 01845

We have enclosed a proxy in the event you cannot attend the annual meeting. We ask that you please fill this out and return so we will have a quorum.

You can give the proxy to someone who will attend the meeting, scan, mail or fax the proxy.

Mail the proxy to:
Property Management of Andover
PO BOX 488
Andover, MA. 01810

Fax the completed proxy to Property Management of Andover at:
(978) 686-4664

Scan the completed proxy and email it to: board@farrwood2.com

If you have any questions, please contact our office.

*Managed by Property Management of Andover
PO Box 488
Andover, MA 01810
Telephone: 978-683-4101 Fax: 978-686-4664*

Farrwood Green II Condominium Association

As we approach the next Farrwood Green II annual meeting on March 22, 2016, we are writing you at this time to bring to your attention some of the challenges and opportunities facing Farrwood II in the next few years. Among the items we wish to bring to your attention:

Capital Improvements

It is our shared belief, as a board, that there is a critical need to address some of the major capital improvement requirements in our association in order to maintain and improve the safety, efficiency, value and attractiveness of your homes and our common property. Most of you are aware of the dilapidated condition of the siding on all of the buildings, the deteriorating state of the pavement in our parking lots, the problems with concrete patios and back decks, along with a number of other ongoing issues. These are all separate and apart from regular and unforeseen costs incurred in simply maintaining 35 year old structures and facilities.

Clearly, a number of these issues are overdue for attention. We fully understand the financial pressures previous boards have faced in the budgeting process for our association, but the cost of needed repairs and refurbishment has now increased by perhaps 50% or more from just a few years ago. Delaying needed necessary repairs will only increase those expenses further in the long run.

To that end, this board has identified siding replacement and parking lot paving as our top two priorities that we would seek to address this year. We are in the process of hiring an engineer to examine our building structure and siding to determine the most cost-effective plan to replace and repair these items with a high quality durable, energy efficient and attractive product.

Financing

To do that we are also taking a hard look at our financial options as an association. We have already achieved some modest savings in some of the actions this board has taken in the past year. We have completed the changeover to LED outdoor/security lighting that has substantially reduced the association's electrical costs. As we approach contract renewal negotiations for landscaping, plowing and property management services, we hope to be able to report additional saving to you at the annual meeting. In addition, last month we paid off (early) the loan for roof repairs that this association had done a number of years ago, freeing up approximately \$4500 per month potentially for other uses.

We would like to apply these monies towards any costs we might have going forward in addressing the needs outlined above and we will be bringing that request before the association at the annual meeting. But the bottom line is that amount will probably cover only a portion of the total bill we would probably incur to address those needed repairs. We have also contacted a number of financial institutions for information on long term lines of credit.

One of the challenges we face in financing needed improvements and repairs is the severe restrictions we face in accessing our reserve funds. The first of two ways outlined in our bylaws is requires essentially 2/3 of ALL owners to be at the annual meeting, either in person or by proxy, and that a majority of them approve that usage. As far as we can tell, we have NEVER had 2/3 of all owners represented at an annual meeting. NEVER.

We currently have approximately \$320,000 in our reserve funds. As such, it is effectively impossible for any board to have access or use of those funds by this method.

Alternatively, the by-laws allow the board to declare that an emergency condition exists and to withdraw reserve funds on that basis. Looking at the current state of our property, the question facing us is, to what state of disrepair do we actually allow facilities and structures to deteriorate before it becomes an "emergency"? Materials and structures are failing and are needing replacement now. No one knows what the actual conditions of the supporting structures underneath the siding currently are, but it is clear from continuing ongoing repairs that there is rot and/or deterioration and that this has led to damage to individual units. Do we allow this to continue until our homes become uninhabitable? Do we allow our parking lots to continue to crumble until resident's vehicles start to be damaged? Do we ignore the cracks and fissures in our patios and concrete deck supports until someone falls and is injured?

Beyond this, as property owners, these deficiencies also reduce the value, efficiency and attractiveness of your individual units, as well as your ability to receive fair market value for your property should you ever choose to sell. So the question, "Are we at a point of emergency?" is one that we need to discuss at the annual meeting. We may seek to have the owners pass a resolution supporting a possible vote supporting such a declaration.

But the reality is that even with access to the reserve funds and additional savings we achieve, addressing needed capital repairs may require increasing our budget, whether through an increase in condominium fees or by other means. These are things that we will need to discuss as well. We, as a board, will most likely be presenting a budget that includes the flexibility to address some of Farrwood II's most pressing needs.

Bylaws

On another subject, it is the opinion of the board that our some of our association by-laws are overly cumbersome, convoluted and burdensome in a number of areas, making it difficult, if not essentially impossible, to operate effectively and efficiently as an association. As a board, we are examining our current bylaws to see if we can find ways to streamline the procedures on how this association is run. Potentially, we will be looking to propose amendments to some of those bylaws in order to allow us to remedy these situations.

In order to accomplish both of the above, we will need to have representation of at least 50% of all owners at the annual meeting. We believe this this will be a difficult, but not necessarily impossible task, and we have actually approached this level in some past meetings. To that end, you can expect members of the board to contact you in the next few weeks to encourage attendance at this year's annual meeting and/or signing over the enclosed proxy of representation to someone who will be there. Ideally, we will probably be asking everyone to sign a voting proxy to the board, whether they plan to attend the annual meeting or not. Then, those who do attend and are present, can simply pull their proxy at that time.

In the meantime, we need you all to encourage your neighbors (who are owners) to attend this year's annual meeting. Talk about it. Discuss it. Farrwood Green II is at an absolutely critical stage in determining our future.

City of Haverhill Automated Trash Program

Further, as many of you know, the city of Haverhill is changing over to an automated trash collection system this coming spring. At this point, the city is planning the new program to begin sometime around May 1. What is significant to us is that the city waste manager believes that the giant 64 gallon "totes" will not work for condominiums and apartments and that the city wants to essentially impose "dumpsters" on us, at several locations around our property. This board is generally against that at this time and would like to hopefully find some way to maintain our current trash and recycling method, if possible. We are in discussions with the city on the specific impact and implementation of that program and would hope that there are public hearings on the program before final implementation. There may come a time that we may need you to contact public officials about this situation (but not yet) and we will keep you informed as we get further information.

Board Vacancies

The Farrwood Board of Managers is expecting to have a number of vacancies for the coming fiscal year. The board is comprised of individuals who serve in a volunteer capacity to work towards maintaining and improving the local community and environment in which we all live. We are seeking positive, conscientious individuals who share the desire to work towards the wellbeing of the entire community and to serve the needs of Farrwood II as an independent entity in order to survive and flourish in the coming years. We need people who, frankly, can work well with others, who can be objective and patient in dealing with residents, owners, contractors and management personnel on a regular basis and can use good judgement in the performance of their duties. Serving on the board would require attendance at monthly meetings as well as the annual meeting. Having access to email would be a big plus as, the board also regularly conducts business between the monthly meetings that require approval of board members.

All of us who serve are volunteers who have other responsibilities in our daily lives. Having a special expertise in any particular area is not required to serve; just an earnest desire to contribute to the betterment of our community. If anyone seeks to be part of the board does have specific skills that would be useful, so much the better. We clearly have a lot on our plate to consider as an association in the next few years. We would ask each of you to seriously consider whether you would be willing to serve on the board and contribute to our community wellbeing or if there is a neighbor that you feel would be an excellent candidate. Please feel to contact us at board@farrwood.com if you have an interest in helping us move forward as an association or if you have any other questions or concerns about Farrwood Green II.

I look forward to seeing you March 22 at 7pm at the Lucent Center.

Thank you.

Jonathan W Campbell

President Farrwood Green II