

**General Meeting
September 29, 2009**

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COMMONWEALTH OF MASSACHUSETTS
FARRWOOD CONDOMINIUM, PHASE II

***** GENERAL MEETING *****

ARCADIY IVANOV, CHAIRMAN
DANIEL S. BRAESE, LEGAL COUNSEL
Osgood Landing
1600 Osgood Street
North Andover, Massachusetts
Thursday, September 29, 2009
6:30 p.m. - 9:02 p.m.

Dawn L. Halcisak
Certified Shorthand Reporter

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1 (Hearing commenced at 7:07 p.m.)

2 MR. IVANOV: I call this meeting to
3 order. This is the general association
4 meeting for Farrwood Green Condominium,
5 Phase II.

6 We have a panel. On the panel
7 there is Shawn O'Connell, treasurer.

8 Todd Lariviere, present by proxy.
9 There is myself, Arcadiy Ivanov, and,
10 also, on the panel there is Dan Braese,
11 General Counsel for the Association.

12 And the time is 7:07 and we're
13 ready to begin.

14 The following is the Agenda for the
15 day:

16 Item 1, Call To Order.

17 Item 2, Quorum Call.

18 Item 3, Loan For Common Area
19 Repairs with Questions and Answer Session.
20 Presentation of loan options.
21 Authorization Vote.

22 Item 4, Discussion on Condominium
23 Monthly Fee Increase with Question And
24 Answer session. Authorization Vote.

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1 Item 5, Discussion of Budget with
2 Question and Answer session. Vote To
3 Approve Budget.

4 Item 6, Adjournment.

5 I have here a sign-in sheet, which
6 includes the unit numbers, the names of
7 the owners, the property address, the
8 percentage of common interest, per unit,
9 the signatures and the line indicating
10 proxies held by the Board.

11 The count was conducted by
12 Elaine Romano of PMA and Dan Braese,
13 Association Counsel.

14 And the quorum count is 31.69
15 percent of common interest, present by
16 proxies and in person.

17 Pursuant to amendment to the
18 bylaws, passed on October 30, 2007,
19 general association meeting, the quorum
20 count for matters involving the annual
21 budget and board election has been set at
22 30 percent of common interest present.

23 Therefore, 31.69 percent satisfy
24 the Article 2.2.3 of association bylaws,

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1 as amended and therefore we have a quorum.

2 Does anyone would like a roll call?

3 I'm sorry, when you say something, you
4 have to stand up. You have to be loud,
5 and you have to state your name and unit
6 number.

7 MS. GRIFFIN: Leslie Hilton, 143
8 Farrwood Drive I would like to request a
9 quorum on the voting, on the proxies.

10 MR. IVANOV: Do you mean you would
11 like to request a roll call?

12 MS. GRIFFIN: A roll call on the
13 proxies and the amount of people that are
14 here, again.

15 MR. IVANOV: Okay. One second, we
16 have a newcomer.

17 Hold the record, please.

18
19 (Off record discussion)

20
21 MR. IVANOV: Back on the record.
22 With the newcomer, the quorum count
23 is now 32.69 percent. The roll call has
24 been requested, so I'm going to start

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1 speaking out the names of the people, and
2 you're going to say here or present.

3 Unit 49, Sylvia Neistadt.

4 MS. NEISTADT: Present. And it's
5 Neistadt.

6 MR. IVANOV: Neistadt, I'm sorry.

7 Unit 50, Sean O'Connell.

8 MR. O'CONNELL: Present.

9 MR. IVANOV: Unit 53,
10 William Pakenham.

11 MS. CLEMENTE-PAKENHAM: William's
12 not here, but I do.

13 MR. IVANOV: Roseanne.

14 MS. CLEMENTE-PAKENHAM: Here.

15 MR. IVANOV: Unit 56, Barbara or
16 Tracy Cummings?

17 MS. CUMMINGS: I'm present.

18 Unit 65,
19 Jennifer Konstantin Lebedev?

20 MS. GRIFFIN: I have a proxy.

21 MR. IVANOV: Marie Griffin has a
22 proxy.

23 Unit 67, Marie Griffin?

24 MS. GRIFFIN: Here.

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1 MR. IVANOV: Unit 68, present by
2 proxy, Marie Griffin.

3 Unit 71, Miles Marcus?

4 MR. MARCUS: Present.

5 MR. IVANOV: Unit 72,
6 Dorothy J. Richardson?

7 MS. GRIFFIN: Marie Griffin has the
8 proxy. Unit 67.

9 MR. IVANOV: Unit 79,
10 Theresa Poore?

11 MS. POORE: Here.

12 MR. IVANOV: Unit 82, Joseph DeLeo?

13 MR. DELEO: Present.

14 MR. IVANOV: Unit 83,
15 Deborah Washington, present through
16 Joseph DeLeo, Unit 82.

17 Unit 90, Susan Lievens and John
18 Folsom?

19 MS. LIEVENS: Present.

20 MR. IVANOV: Unit 92, present by
21 proxy for the board.

22 Unit 95, John R. MacDonald, Jr.

23 MR. MACDONALD: Present.

24 MR. IVANOV: Unit 98, present by

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1 proxy for the board.

2 Unit 99, present by proxy for the
3 board.

4 Unit 100, Gerald Seward?

5 MR. SEWARD: Present.

6 MR. IVANOV: Unit 101,
7 Dana Elliott?

8 MR. ELLIOTT: Present.

9 MR. IVANOV: Unit 102,
10 Judith Morris, present by proxy for the
11 board.

12 Unit 103, Debra Harvey?

13 MS. HARVEY: Present.

14 MR. IVANOV: Unit 105, present by
15 proxy to Unit 138.

16 Unit 111, Mr. Blair Payne?

17 MR. PAYNE: Present.

18 MR. IVANOV: Unit 114,

19 Barbara-Jeanne Stavish?

20 Could you please speak up?

21 MS. STAVISH: Stavish, present.

22 MR. IVANOV: Thank you.

23 Unit 115, Angela & Lawrence Curran?

24 MS. CURRAN: Present.

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1 MR. IVANOV: Unit 116,
2 Kathleen Welsh?

3 MS. WELSH: Present.

4 MR. IVANOV: Unit 118, present by
5 proxy for the board.

6 Unit 127, Peter Devney?

7 MR. DEVNEY: Present.

8 MR. IVANOV: Unit 128, Homer Chieza
9 & Grace Chandozi?

10 MS. CHANDOZI: Yes, present.

11 MR. IVANOV: Thank you.

12 Unit 132, Marsha Twitchell, present
13 by proxy.

14 Unit 133, Peter Quan?

15 MR. QUAN: Present.

16 MR. IVANOV: Unit 136,
17 Carl Halupowski, present by proxy.

18 Unit 138, present.

19 Unit 142, Mella Paabus, present by
20 proxy.

21 MR. IVANOV: Unit 143?

22 MS. HILTON: Present.

23 MR. IVANOV: Unit 144, Jordan and
24 Mimi Gustave?

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MS. GUSTAVE: Present.

MR. IVANOV: Unit 154,
Johnathan Mannion, proxy for the board.
Unit 158, Mary Sheahan?

MS. SHEAHAN: Present.

MR. IVANOV: Thank you.
Unit 159, present by proxy for the
board.

Unit 160, Jacquelyn Thomas and
Harriet Brodie, proxy for the board.

Unit 165, Peter Gallo? Unit 165?
Hold the record, please.

(Off record discussion)

MR. IVANOV: Back on the record.
Unit 165 appears to have left. We
will subtract his common percentage
interest from the number 32.69.

Unit 173, Dominic and Elaine?

MR. CIACCAPUOTI: Here.

MR. IVANOV: Thank you so much.
Hold the record, please.

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1 (Off record discussion)

2

3 MR. IVANOV: Back on the record.

4 With Unit 165 having left, quorum
5 count stands at 31.95 percent common
6 interest present by proxy and in person
7 which satisfies the requirement of Article
8 2.2.3 of the bylaws as amended in
9 October 30, 2007.

10 Is everyone, at this point,
11 satisfied that we have a quorum. And does
12 anyone would like to request a recount?

13

14 (No show of hands)

15

16 MR. IVANOV: Please let the record
17 indicate that there are no people
18 requesting a recount and everyone is
19 satisfied that there is a quorum.

20 Ladies and gentlemen, over the
21 mail, you have been presented with the
22 copy of the budget, as it was passed in
23 March, 2009. You've been presented with
24 the contract from Brookline Bank.

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1 Hold the record.

2

3 (Off record discussion)

4

5 MR. IVANOV: Back on the record.

6

7 You have been presented with the
8 letter from Rockland Trust Company
9 Enterprise Bank and a letter from the
10 Board requesting you to review the
11 documentation carefully and come up with
12 questions, if you have any, about the
13 proposed Brookline loan, and that's about
14 it.

15 The Board or PMA have not received
16 any letters containing any questions about
17 this matter, either in writing or e-mail.
18 So, at this point, I basically have no
19 questions to read aloud or answer.

20 With this, I would like to open the
21 floor for questions from people present
22 about the loan that has been originally
23 authorized during the annual association
24 meeting.

Does anyone have questions about

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1 the terms, conditions of the Brookline
2 loan, the purpose of that loan? Is anyone
3 not clear?

4 Okay. Leslie Hilton, Unit -- I'm
5 sorry, which one?

6 MS. HILTON: 143.

7 MR. IVANOV: 143.

8 MS. HILTON: I was present with
9 Mr. Brouder at PMA last year and this
10 year, and we tried to review some books
11 and, I guess, one of my first questions
12 is: Where is the forensic fraud audit
13 that we have voted on for the past three
14 years? Mr. Michaud, at one of these
15 meetings --

16 MR. IVANOV: I'm sorry, Leslie.
17 You are out of order. The question is:
18 Do you have questions on the loan for
19 Brookline Bank?

20 MS. HILTON: Yes, I do. Because I
21 don't think we need a loan, if you do two
22 or three groups at a time, you'll have
23 over 300,000 and the paperwork that was
24 just given me and in the Brookline Bank

1 loan, I believe, it is not a fixed rate.
2 You're going to be paying something like
3 16,500 the first 12 months of the loan,
4 and then every time after that as the
5 prime goes up, then you're going to be
6 paying extra in interest rates.

7 I, also, want to know how many
8 points you're going to be making off of
9 the loan, if indeed we do go through with
10 the loan from the bank on the monies of
11 the reserved account where they've
12 transferred it over?

13 MR. IVANOV: First of all, the
14 question here is the terms of the loan,
15 right? So you have asked this question.

16 Whether you think that the loan is
17 not necessary is not a question about the
18 loan. It's your opinion, which you will
19 be able to express during voting.

20 MS. HILTON: Right. Right.

21 MR. IVANOV: So I'm going to answer
22 your question about fixed or not fixed
23 rate.

24 If you open the Terms and

1 Conditions of the Brookline Bank loan,
2 there is an option to fix the rate.

3 MS. STAVISH: I'm B.J. Stavish,
4 Unit 114.

5 What is the date of the letter that
6 you're referring to, because I have
7 various letter copies and various dates,
8 so when you refer to a letter, could you
9 please give me the date?

10 MR. IVANOV: Absolutely.

11 MS. STAVISH: Thank you.

12 MR. IVANOV: Unit 114 would like to
13 know the date of the letter, and the date
14 of the letter in question is August 28,
15 2009.

16 MS. STAVISH: From Brookline Bank?

17 MR. IVANOV: This is the package
18 which was sent to unit owners. The letter
19 from Brookline Bank is dated June 18,
20 2009.

21 MS. STAVISH: Thank you.

22 MR. IVANOV: Absolutely. Now, if
23 you open the letter, Brookline Bank, below
24 "Other Terms and Conditions" there is an

1 "Option to Fix the Rate: Once the draw
2 period has ended, the borrower will have
3 the right to fix the rate at 2.25 over
4 comparable maturity Federal Home Loan Bank
5 of Boston advance rates, for a period of
6 two to five years with the floor rate of
7 5.5 percent."

8 Last time we checked, the rate is
9 5.5 percent. So the Association will fix
10 the rate for the duration of five years,
11 at 5.5 percent.

12 MS. HILTON: Well, if you have
13 \$100,000 out there, which I'm sure a lot
14 of the unit owners are not aware of, that
15 Mr. Michaud stated, in writing, that
16 there's \$100,000 unaccounted for after his
17 paperwork. And then I have seen paperwork
18 in which a Board member -- and I don't say
19 who -- put in writing to a unit owner --
20 and all of you people have to know this --
21 that there is still \$100,000 missing and
22 those are the exact words.

23 So if we're taking out a \$300,000
24 loan, we don't need to. Because we have

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1 to get the forensic order done first, get
2 the monies retrieved, that are allegedly
3 missing, whether it be 60,000, 50,000,
4 100,000. That is in black and white
5 and --

6 MR. IVANOV: I'm sorry, Leslie.
7 I'm going to interrupt you again.

8 MS. HILTON: Okay.

9 MR. IVANOV: You're stating opinion
10 on why we should not go over the loan.

11 MS. HILTON: No, I'm stating
12 black-and-white fact on paperwork that I
13 have seen --

14 MR. IVANOV: Stop. Leslie, you are
15 out of order. Once again, the question is
16 about the loan terms and conditions. You
17 will be able to express your opinion about
18 whether we should vote for the loan or not
19 later. The question on the floor is --

20 MS. HILTON: Just about the loan.

21 MR. IVANOV: -- the loan terms and
22 conditions, does anyone have any questions
23 about the loan?

24 Yes, B.J. Stavish 114?

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1 MS. STAVISH: I have several
2 questions. First, what is our legal
3 counsel's opinion on the June 18, '09,
4 presentation letter from Brookline Bank?

5 MR. IVANOV: Dan Braese, General
6 Counsel for the Association.

7 MR. BRAESE: Let me give you a
8 little bit of background on the board of
9 managers and condo associations getting
10 loans.

11 Up until about eight years ago, it
12 was actually unheard of. You didn't get
13 loans, because if you look at the law the
14 board of managers doesn't own anything to
15 make collateral. The board of managers is
16 a representative of the Association. You
17 people own the common areas. You people
18 own the roof, you own the parking lots and
19 so on and so forth. That's part of your
20 percentage interest.

21 So really, from a legal standpoint,
22 the Board can't take out a mortgage for
23 anything. The law's changed a little bit
24 over time. A lot of banks, and you'll see

1 if you been following this is at all, a
2 lot of banks refused to the deal. And
3 they refused to do the deal simply because
4 they are of a different opinion than
5 Brookline Bank and some of the other banks
6 are.

7 So the question of, if you've ever
8 taking out a loan, the higher the risk,
9 the higher the interest rate; the higher
10 the risk, the more the interest rate may
11 flow. The terms are less good when
12 there's a higher risk.

13 When you're in a situation like
14 this, when it's somewhat debatable, on
15 what the collateral is, you're going to
16 get terms that aren't as good as if you
17 were getting a home loan on your
18 condominium, because you own that
19 condominium in your name. The Board
20 doesn't own anything in its name. You
21 folks do.

22 So, I mean, I can't tell you if
23 it's a good deal or a bad deal. That's
24 not my department to tell you guys that.

1 I can just tell you the reason why it
2 might be not as good as the deal you would
3 get on your own unit.

4 Any questions on that? It's a
5 little bit of an abstract theory, but I'm
6 happy to answer any questions when it
7 comes to that.

8 MR. SEWARD: Yes, I have a
9 question.

10 MR. BRAESE: Go ahead.

11 MR. SEWARD: Gerald Seward, 100
12 Farrwood Drive. The question is:
13 Mr. Arcadiy stated, at the last meeting,
14 that while the rates are low, we should
15 get a loan. The implication was that we
16 should go fixed and lock in the low rates
17 that he told us existed at the time.

18 Now the terms on this Brookline
19 Bank loan are an adjustable loan.

20 MR. BRAESE: Yes. Can I tell you
21 why? No, I can't. What I can tell you is
22 that they've gotten, and I'm not sure how
23 many offers they've gotten from different
24 banks.

1 How many proposals did you get?

2 It's been a few.

3 MR. IVANOV: Yes. It's probably
4 eight. We went to eight banks. We got
5 four proposals.

6 MR. BRAESE: So eight banks and
7 four proposals.

8 MR. IVANOV: But let me correct you
9 here. Once again, if you look at the
10 terms and conditions, the Option to Fix
11 the Rate is available. And the Board will
12 take it immediately upon signing the loan.

13 It is not our intention to have a
14 fixed rate, because the rates are unlikely
15 to go down -- I'm sorry, it's not our
16 intention to have an adjustable rate,
17 because we want to fix the rate, as soon
18 as possible, after the closing, because
19 the rates will probably go up. So if we
20 don't fix it, it's bad; but we will take
21 the option to fix the rate.

22 MR. SEWARD: My name is Seward,
23 100. Well, the question is to make it
24 clear that the idea was that we were going

1 to lock in a low rate, under fixed
2 conditions, not an adjustable rate --

3 MR. IVANOV: No, no, no, no, I'm
4 sorry. You're misreading this.

5 We will fix the rate upon closing.
6 The rate will be fixed if -- at the date
7 we close. Once the draw period has ended,
8 and the draw period can be up to 12 months
9 or it can be one day. So we will draw the
10 entire amount, and we will fix the loan
11 immediately.

12 So by the time the loan is closed,
13 it's a fixed rate and, hopefully, it will
14 be at the floor rate of 5.5. We have no
15 intention of having the flexible rate.
16 It's not in anyone's interest.

17 Barbara Stavish, 114.

18 MS. STAVISH: So what I'm hearing
19 you say Arcadiy, is, because I'm reading
20 this language differently is: We're not
21 going to have a draw period run. We're
22 not going to take monies out of the 300 as
23 the time goes by for seven group. We're
24 going to pull 300 out as soon as we sign

1 these docs. Where are we going to stick
2 that cash until we start spending it?

3 MR. IVANOV: We will leave it in
4 Brookline Bank.

5 MS. STAVISH: I'm Just asking.

6 MR. IVANOV: Yes. That's exactly
7 what we're going to do. As soon as we
8 close, we immediately draw. The draw
9 period closes, and we immediately fix for
10 the maximum possibly rate -- for the
11 maximum possible period, at the lowest
12 rate.

13 Unit 114.

14 MS. STAVISH: I have some other
15 questions.

16 Our reserve, on the assumption that
17 at some point, it was 270,000. And that
18 270,000 has to be transferred over to
19 Brookline Bank, what type of interest
20 rates and what type investment vehicles is
21 that money going to be put into, because
22 the bank can reduce it's overnight funds.
23 So there's a cost of money for us on a
24 loan. There's a cost of money to us for

1 what we are investing or not investing the
2 270 at.

3 MR. IVANOV: We are not required to
4 put the money. We are asked to put the
5 money. We will move our checking accounts
6 and whatever is not a fixed CD, we will
7 move it there, in the Brookline Bank. And
8 as soon as it's done, that, basically,
9 satisfies what they want.

10 The CDs will stay where they are
11 and the percentages where they are, until
12 they actually mature.

13 MS. STAVISH: And then when they
14 mature, they'll go over.

15 MR. IVANOV: They will go over.

16 MS. STAVISH: And what type of
17 investments is Brookline offering us?
18 Although, they can't tell us until the
19 money comes, so that we know what's
20 happening with the underlying 270.

21 MR. IVANOV: I cannot,
22 unfortunately, tell you what rates they --
23 saving rates or whatever rates they have
24 available at the unknown time in the

1 future when we will move the money. It's
2 a full-blown loan bank. So I would assume
3 they have CDs. They have the money
4 market.

5 MS. STAVISH: So that's not what
6 I'm asking you. I will be more specific.

7 So my question is: We don't know
8 what types of investments we're going to
9 put the 270 in? There's nothing,
10 specific, with Brookline Bank that they'll
11 only let us put the monies in a passbook
12 at 1 percent now, or will we have the
13 option of investing that money in CDs when
14 the fed changes the rates in November and
15 they continuing to go up, are we going to
16 have the flexibility to keep our money
17 invested to offset the loan costs?

18 MR. IVANOV: Absolutely. We can do
19 whatever we want with the money, within
20 the Brookline Bank. We're not bound to
21 any specific investment means, so we can
22 open a checking account. We can open a
23 whole bunch of CDs. It's completely up to
24 us, as long as the money is in the

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1 Brookline Bank.

2 What I think they're trying to do
3 is, they're trying to offset the risk of
4 giving us the loan with, basically, us
5 recapitalizing them with our own reserve
6 money. So basically, they're having
7 essentially zero net going in or out.

8 MS. STAVISH: I did call the
9 vice-president of the local bank in
10 Haverhill and they pretty much explained
11 the same things to me about stock, and
12 exactly what they were doing.

13 That's it for now. Thank you.

14 MR. IVANOV: Thank you.

15 MR. DEVNEY: Peter Devney, 127
16 Farrwood Drive. On my packet, the one
17 that I got sent, the Brookline Bank, the
18 date is April 14, 2009.

19 MR. IVANOV: April 14th is the
20 second, another letter in the same
21 package.

22 MR. DEVNEY: Okay. Brookline Bank?
23 Oh, okay.

24 MR. IVANOV: The original

1 April 14th was the original sheet. The
2 June 18th is the final terms, essentially.

3 MR. DEVNEY: Okay. I got it. I
4 thought I was missing some sheets.

5 MR. IVANOV: Okay.

6 MR. SEWARD: Joe Seward. Just a
7 follow-up, the letter dated June 18th at
8 the Brookline Bank, I see the phrase
9 "Other Terms and Conditions," it says:
10 "The loan will close at the prime rate,
11 plus a half percent and will be adjusted,
12 monthly, with a floor rate of five and a
13 half percent."

14 MR. IVANOV: I'm sorry?

15 MR. SEWARD: I'm trying to make it
16 clear, is this a fixed loan or is it a
17 variable loan?

18 MR. IVANOV: We have the
19 flexibility of choosing either the fixed
20 rate, if you read -- one, two, three --
21 four paragraphs below that. Do you see
22 "Option to Fix the Rate" paragraph?

23 MR. SEWARD: Right. We have the
24 right to fix the rate.

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1 MR. IVANOV: That's correct.

2 MR. SEWARD: So are we going fixed?

3 MR. IVANOV: Yes, we are going
4 fixed.

5 I just stated that. As soon as we
6 draw the entire amount of the loan, we
7 will fix the rate.

8 MR. SEWARD: Yes. How many points
9 will it cost to obtain this transaction?

10 MR. IVANOV: There are no points.
11 There is a \$2,000 commitment fee, which is
12 refundable upon closing. So there are no
13 points.

14 MR. SEWARD: That's an application
15 fee?

16 MR. IVANOV: Yes. Application
17 fee -- no, it's not an application fee.
18 It's a commitment fee, which is refundable
19 if we close. So there are no points.

20 MR. MACDONALD: I'm not trying to
21 hold things up. John MacDonald, Unit 95.
22 The FDIC insures money in an account up to
23 250,000, right?

24 MR. IVANOV: That's correct.

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1 MR. MACDONALD: So when you put the
2 300,000 in that bank, you should
3 immediately take 50,000 out if you want to
4 cover yourself and put it somewhere else.

5 MR. IVANOV: As far as I know, the
6 FDIC insures the money for persons only,
7 right? It doesn't do it for business?

8 MR. BRAESE: Dan Braese. Yes, but
9 the theory is, and I think what will
10 happen is that that deposit will be broken
11 up in different vehicles, and so none of
12 them will be over 250 -- Absolutely, I
13 agree with you.

14 MR. IVANOV: Right. And 250 limit
15 is, actually, valid until, I think,
16 December 19, 2009. It will expire this
17 year. It was a temporary solution by the
18 federal government.

19 B.J. Stavish, 114.

20 MS. STAVISH: I just want to
21 clarify the two fees associated with the
22 loan. In reference to the June 18th
23 Brookline Bank letter, you have on page 1,
24 the paragraph Commitment, Origination Fee,

1 there's a 2,000 origination fee, which if
2 we go with Brookline will come back to us.

3 And if you go to page 2, "General
4 Conditions of Closing" it's my
5 understanding, based on the language in
6 the April 14th letter, that there's
7 another set of closing cost that we are
8 responsible, for whatever it takes the
9 banks attorneys to close the docs. So we
10 get the 2,000 back if we go with Brookline
11 and pay for another set of closing costs,
12 right?

13 MR. IVANOV: Yes, but those are not
14 points. These are standard attorney
15 costs. I don't even know what they are.
16 They're usually hundreds of dollars.

17 MS. STAVISH: I'm just making this
18 clarification based on this, because
19 although it's not current, the April 14,
20 '09, Brookline Bank letter said the
21 closing cost would be around 2,100. So if
22 we paid 4,100, 2,000 would come back?

23 MR. IVANOV: Yes. But those are
24 administrative cost for attorneys and

1 stuff. Basically, these are not points.
2 We're not prepaying anything.

3 Yes, please?

4 MS. CHANDOZI: Grace Chandozi, 128
5 Farrwood Drive. I'm going to refer to the
6 lady who is sitting there, what she has
7 just asked and the answer is different.
8 She wanted to point out about the
9 embezzlement of the money, and you said
10 'No, we are not talking about that. Just
11 talk about the loan.'

12 MR. IVANOV: Yes. We will talk
13 about whatever we want to talk about, once
14 we get clear with the loan terms first.

15 MS. CHANDOZI: My question is: How
16 can we start discussing about a loan when
17 there's embezzlement of money, which is
18 still outstanding, and now you people are
19 discussing about borrowing money. We
20 can't afford. People can't afford to pay
21 this loan.

22 There's money outstanding there,
23 and nothing's been done in the discussing
24 about borrowing money. Where are you

1 anticipating to get this money from? If
2 people don't pay their fees, where are you
3 anticipating to get the money from to
4 repay the loan?

5 Before we discuss about the loan,
6 why don't we discuss about the money,
7 which is still outstanding and see how
8 much we can recover?

9 Then they tell them maybe we can
10 discuss about borrowing. Right now, I
11 don't see why people are discussing about
12 borrowing money when we can't raise money
13 to pay our fees.

14 MR. IVANOV: Thank you. Let me
15 answer that. First of all, the
16 condominium fee increase accounts for
17 paying this loan. So the condo fees,
18 which has been increased in April, condo
19 fee increase, includes the money to pay
20 this loan. That's one of the things.

21 Secondly, you asked, there are
22 money outstanding. We don't know whether
23 there are money outstanding. It doesn't
24 look that way. We do have about \$30,000,

1 right now, of not-paid condo fees. Those
2 condo fees will eventually foreclose.
3 Those units which are delinquent on condo
4 fees will be sold, and the money will be
5 recovered by the Association.

6 The embezzlement, as far as I know,
7 20,000 has been returned. So far, without
8 having conducted the forensic audit, it
9 doesn't look like there are outstanding
10 money. It doesn't look where would that
11 money would come in.

12 However, the forensic audit is
13 currently under way with LaPoint CPA, who
14 will perform the original investigation
15 into risk assessment of forensic
16 investigation of the current books and
17 records and will render an opinion whether
18 there is a high probability of recovering
19 additional funds, pursuing the full-blown
20 forensic audit.

21 But so far, from everything I've
22 heard, from the documents I've seen, it
23 looks like \$20,000, which have been
24 returned, account, approximately, for

1 everything which has been taken out. Is
2 it absolutely true? I don't know.

3 Whether we're going to rely on that
4 money to possibly come in? I don't know
5 whether we should. If we don't find
6 anything out there, it's just time spent.
7 It's roofs leaking. It's buildings
8 rotting. So I think I answered it, as
9 much as I could at this point.

10 Marie Griffin.

11 MS. GRIFFIN: Marie Griffin, Unit
12 67, now, just from listening to you, if I
13 understood you right, that the forensic
14 audit is undergoing by LaPoint, right now.

15 MR. IVANOV: Yes.

16 MS. GRIFFIN: Well, we don't have
17 an answer, then, if there are any
18 additional monies that are missing, other
19 than that 20,000.

20 MR. IVANOV: Absolutely.

21 MS. GRIFFIN: And according to what
22 Ms. Hilton said, that she has a couple of
23 documents, or has been told there are
24 documents that exist, I don't think she

1 has them, been told, and that there was
2 over a \$100,000 missing.

3 You know, the difference between
4 20,000 and 100,000, that's a lot of fish
5 in the kettle.

6 MR. IVANOV: Absolutely. Let me
7 address the \$100,000 number.

8 There was this number. Midway,
9 doing books reconstruction, midway, doing
10 books reconstruction where we couldn't
11 assign certain funds to certain units, as
12 the book reconstruction progressed and
13 people sent in the checks, or the copies
14 of the cancelled checks, that 100,000 is
15 now --

16 Elaine, could you give me
17 approximate ballpark of what the number of
18 outstanding monies are right now?

19 MR. O'CONNELL: Thirty one.

20 MR. IVANOV: Sean O'Connell states
21 that it's approximately \$31,000. And
22 that's in active collections right now or,
23 more or less, active. I know that there
24 is one unit which we filed a complaint in

1 court about already.

2 So the delinquent condominium fees
3 take about one year to collect. If the
4 unit owner doesn't do anything to repay
5 the debt by the end of one year, there is
6 usually a court decision to foreclose on
7 the unit. The unit is, then, sold and the
8 money, which is owed to the Association,
9 by the unit owner, are remitted to the
10 Association, but it takes about a year and
11 it's basically a fluid process.

12 Leslie Hilton.

13 MS. HILTON: Yes. Leslie Hilton
14 143 Farrwood, you put in an insurance
15 claim, I believe, back in 2007 with HUD,
16 because the greater New York Mutual lawyer
17 was present at our meeting this past
18 summer, and I was just wondering, has that
19 claim run out because the police had told
20 us that embezzlement of those funds, that
21 claim is open for a good six or seven
22 years.

23 So this is very important that this
24 audit is done and that we pursue anybody,

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1 under employee dishonesty and coverage of
2 the Board.

3 And Attorney Braese, you were at
4 the meeting two years ago, do you
5 represent just the Board or do you
6 represent the whole association, that's my
7 question for you, too?

8 MR. BRAESE: I represent the condo
9 Association.

10 MS. HILTON: The condo Association
11 also, meaning all of us?

12 MR. BRAESE: Yes.

13 MS. HILTON: Okay. So it's very
14 important that once you've got the results
15 of this audit, that if there are any
16 monies missing, that you pursue that
17 insurance claim, because I have this
18 packet that we have been paying, this is
19 the Greater New York Mutual, a packet of
20 over 100 pages that we've been paying --
21 all of us -- twenty, twenty-three,
22 twenty-four, twenty-five, twenty-six
23 thousand dollars every single year, and
24 you better go after that money if there's

1 any monies found from the forensic audit.

2 And I would ask Attorney Braese to
3 really pursue this because, if you don't,
4 I've got to go to where I have to go to
5 pursue it myself. That's a lot of money
6 and Ms. Griffin had made --

7 MR. IVANOV: Thank you, Leslie.

8 For the record, Attorney Braese has
9 been dealing with insurance companies
10 since April, I think, trying to make them
11 pay and I will pass the word to him to,
12 basically, explain what's going and what's
13 the status of that claim.

14 MR. BRAESE: There's a difference
15 between the actual forensic audit and
16 paying for the forensic audit. What I've
17 been doing is with HUD International and
18 Marsh & Associates to get them by pay for
19 the forensic audit.

20 Basically, the way it works is that
21 when you discover fraud was committed, if
22 you discover fraud was committed, there's
23 a two-year statute from the time the fraud
24 was committed to the time you discovered

1 the fraud was committed, to open up a
2 claim.

3 We have one claim in. I'm
4 anticipating that we're going to be
5 opening up, what I would consider, the
6 final claim in order to get them to pay
7 it. That does not mean the forensic audit
8 is not going to be done. That just means
9 that the insurance company's going to pay
10 for that forensic audit. So.

11 As far as there's been rumors out
12 there that the insurance company has
13 denied the claim. That is not true. I
14 actually talked to the adjustor today, and
15 he has not, under any circumstances,
16 denied the claim. We are just still
17 discovering -- the way to put it, really,
18 is we're still discovering when the fraud
19 occurred and how much the fraud was.

20 And, again, we're still at the
21 point where the books were not in great
22 shape, as much as the discussions I've had
23 in here with some people say they were.
24 They're not in great shape. They were not

1 in great shape, at that time period. So I
2 anticipate that we're still going to
3 discover more discrepancies, possibly, and
4 if we do, those are going to be submitted
5 to the insurance carrier and he'll pay for
6 that fraud.

7 MS. STAVISH: You had commented
8 that the first claim went in and there's a
9 two-year window period. By getting the
10 first claim in, we keep the window open?

11 MR. BRAESE: No. When you put a
12 claim in, it's at the time that you
13 discovered that fraud was committed. So
14 you have two years from that time, that
15 the time the claim went in, which was
16 September 1, 2007, I believe, in order to
17 have that claim submitted and get all the
18 paperwork in and so on.

19 We're in the process of doing that,
20 but there's more that's going to be going
21 in. So I anticipate that there's going to
22 be one more claim, which will be the,
23 quote, unquote, final claim, but it's on
24 fraud that is still potentially to be

1 discovered. It's sort of a, kind of, a
2 odd way of looking at it, but that's the
3 way they look at it so.

4 MR. IVANOV: Hold the record.

5
6 (Off record discussion)

7
8 MR. IVANOV: Back on the record.

9 MR. BRAESE: What Arcadiy just
10 wanted me to do is, just, explain to you
11 about the discovery of fraud.

12 The way the insurance policy works
13 is that when the fraud is discovered, not
14 when it was committed, but when we found
15 out about it, that's when the claim is
16 made, and that's when the statute starts.
17 So if we continue doing even the forensic
18 audit, the beginning part of the forensic
19 audit, and they say "Oh, Lord, there was a
20 lot more here than you think," that's
21 added into the claim.

22 So that's a new claim that's added
23 in and they're put together, and there's
24 one, large claim at the end, which the

1 insurance company will pay under the
2 coverage. And anybody who's dealt with an
3 insurance company will know that they
4 don't like paying.

5 MS. HILTON: I appreciate that
6 Arcadiy, and I appreciate what you have to
7 say but, also, on October 8th, in Lawrence
8 Superior Court, because of the civil
9 lawsuit that has been filed, I just want
10 to be sure that you're going to be there
11 to represent us to stop the insurance
12 company lawyer, whom I met this summer,
13 with you, Arcadiy, at our meeting at PMA,
14 from trying to get the cases dismissed, as
15 a lot of people are trying to get their
16 cases dismissed, that if been sued
17 civilly.

18 Allegedly, if there's more money
19 there, allegedly, we want this money back
20 before we set a definite amount on a loan,
21 because that could bring down our monies.
22 It'll bring down what we have to pay out.

23 MR. BRAESE: Yes. And just to
24 address that, just for a second. I don't

1 disagree with you from the standpoint of
2 if there's \$1,000,000 sitting out there
3 that was committed in fraud and the
4 insurance company's going to pay that
5 money, you will get paid that money if
6 there's \$1,000,000 out there. If there's
7 no money, you won't get paid, but that is
8 a separate question on if your roofs need
9 to be replaced.

10 MS. HILTON: No, I understand.

11 MR. BRAESE: And so I sympathize
12 with everybody talking about the fraud,
13 and it's been one of the big issues in the
14 condo Association since I've come aboard
15 but I think you've got other issues. And
16 those issues have to be dealt with and,
17 you know, irrespective of the question
18 whether you recover any money. Because to
19 be frank with you, I've been doing this
20 for 22 years and I've seen these things
21 drag out for years, and insurance
22 company's don't want to pay. We force
23 them to pay.

24 I was on the phone with the

1 adjuster for an hour and a half today to
2 get him to agree with me on a certain
3 point. Now, that was an hour and a half
4 and it was one point, so these things take
5 time.

6 Your roof is your roof. It's up to
7 you guys whether you want to actually take
8 out money to do that or not. But I think
9 you put the claim aside, then you focus on
10 what you're trying to do here tonight.
11 But that's, ultimately, it's, up to you
12 guys.

13 MS. HILTON: I just want to prevent
14 any more claims going in, because letters
15 went out saying people owed money when,
16 actually, basically, they were trying to,
17 from what I hear, quote, unquote, rebuild
18 the books from documentation I saw from
19 Mr. Michaud --

20 MR. BRAESE: You're talking about
21 collection fees, right?

22 MS. HILTON: Right. The condo
23 fees, 2004 to 2007. And I'm not going to
24 get into anything else with other people

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1 here, but I just don't want any more civil
2 lawsuits. And I hope that you are going
3 to be in Lawrence Superior Court on
4 October 8th.

5 MR. BRAESE: Well, is this for a
6 condo-fee collection? Is that what you're
7 talking about?

8 MS. HILTON: No. I'm talking about
9 the civil lawsuit that was filed by a unit
10 owner. And I think the insurance company
11 and some other lawyers are going to try to
12 have the whole suit dismissed. So it's
13 very important that you be there at 2:00.
14 I had it verified at the superior court
15 yesterday. It's going to be 2:00, October
16 8th.

17 MR. BRAESE: Okay. Lawrence
18 Superior Court. Been there before.

19 MR. SEWARD: My name is Seward, No.
20 100, Mr. Arcadiy mentioned the condo-fee
21 increase in April, this is not true from a
22 legal point of view since we are
23 overthrowing the March meeting and holding
24 this one instead. This is not true that

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1 these increases in fees are illegal and
2 have to be voted on over again.

3 MR. BRAESE: No. What is true is
4 that you voted on condo-fee increases at
5 that meeting and you can vote on condo-fee
6 increases again at this meeting. That's
7 what that means. It does not mean
8 anything has been done illegally.

9 MR. IVANOV: Once second. I would
10 like to address something Leslie Hilton
11 said. Dan Braese represents the
12 Association. Steven Bolotin of Morrison,
13 Mahoney represents the Board. Steven
14 Bolotin does not represent the alleged
15 embezzler.

16 MS. HILTON: No, I understand that.

17 MR. IVANOV: He does not. And the
18 lawsuit does not concern the actual
19 embezzlement from the standpoint of people
20 who Steve Bolotin represents.

21 MS. HILTON: Right. Okay. No, I
22 understand that.

23 MR. IVANOV: Dan Braese is actually
24 not --

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1 MR. BRAESE: Insurance counsel.

2 MS. HILTON: The insurance. I met
3 him this summer. The insurance lawyer.

4 MR. IVANOV: Dan Braese, so far, is
5 not involved in this case.

6 MR. BRAESE: The insurance counsel
7 is involved in this case. I'm not
8 directly involved in that case. That's
9 what insurance counsel is for.

10 MS. HILTON: But is it something
11 that you will be present representing us
12 to make sure that once you get the results
13 of the forensic audit, which I assume is
14 going to be very soon?

15 MR. BRAESE: If there's a motion to
16 dismiss that case, by insurance counsel,
17 that's going to be up to plaintiff's
18 counsel to make that case. So whoever
19 brought that case, and I'm reluctant to
20 talk about pending litigation, but whoever
21 brought that case is going to have to
22 argue the merits against them.

23 MR. IVANOV: Yes, please.

24 MS. CHANDOZI: Grace, 128, I still

1 feel that we don't have priorities here.
2 Because looking at it recently there was
3 cleaning of decks, cutting of trees down
4 the road, the letter boxes, what's our
5 priority? If it was roofing, why was the
6 money spent on all that stuff if we have a
7 priority of fixing up the roof, which are
8 leaking right now?

9 And what is coming up with petty
10 issues. And we are looking at it and say
11 "What is this?" We have a priority of the
12 roofs, and now we are borrowing money, and
13 where is the money being spent for cutting
14 the trees and cleaning the decks, what is
15 it? Looking at it, really, do we have
16 priorities here?

17 MR. IVANOV: Let me answer that.
18 First of all, those old items are in the
19 budget. The deck cleaning is in the
20 budget. The mailboxes were in the budget.
21 They were asked by unit owners to be
22 replaced, because they were falling apart.
23 That all is included in the condo fee
24 raised, which was voted on in March.

1 There is no extraneous spending.
2 We're not increasing or planning to
3 increase condo fees in this meeting, right
4 now, any more.

5 What we're doing is, we have the
6 loan. We have the final terms of the
7 loan; the loan is a part of a budget, so
8 are condo fees. So we just have to,
9 procedurally, go through the budget, the
10 condo fees and the loan. And your condo
11 fees, after tonight, if everything is
12 passed, will stay exactly the same as they
13 were yesterday.

14 MS. CHANDOZI: So what are you
15 telling us? You're telling us that what
16 you're talking about here about the loan
17 is going to be passed or what are you
18 saying?

19 MR. IVANOV: The roofs were not
20 started, because the loan was not closed
21 upon. It is in the plans. The roofs are
22 in the plans, if the loan is closed, but
23 the loan was not closed, so the roofs were
24 not started yet. That's approximately as

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1 best as I can explain it, I guess.

2 Peter Quan.

3 MR. QUAN: Question, Peter Quan
4 from Unit 133, so this meeting is to
5 finalized and okay the loan or is it just
6 a refresher of what happened?

7 MR. IVANOV: It's to finalize,
8 because originally, we presented the one
9 quote from Enterprise Bank, and it had
10 something like 6.5 percent. And we didn't
11 know what the final terms were going to
12 be.

13 MR. QUAN: So we can actually vote
14 the loan down tonite, you're saying, for
15 the continuance?

16 MR. IVANOV: You could. You could.
17 I wouldn't advise that. The roof would
18 not be done, then.

19 MR. QUAN: Right. Last question:
20 If they don't go with the loan, how much
21 is it costing the Association for all the
22 preparation and so on?

23 MR. IVANOV: \$2,000.

24 MR. QUAN: Okay.

1 MS. SHEAHAN: Mary Sheahan, 158,
2 now, we've had about six or seven months
3 that we've paid this higher rate. Now,
4 does that mean that we have six or seven
5 months of money that would be repaying the
6 loan? So how much money would that be
7 that we have extra that we haven't gotten
8 the loan so we haven't repaid it?

9 MR. IVANOV: First of all, part of
10 that money already went to pay for the
11 mailboxes and for the termite control, but
12 it's, actually, if the money comes in we
13 have the money to pay the loan, obviously.

14 MS. SHEAHAN: I didn't understand
15 what you just said.

16 MS. CHANDOZI: Excuse me, Grace
17 again, I thought you just said that the
18 mailboxes and the cutting of the trees was
19 budgeted before? The money which when
20 people paid for, now you're just telling
21 us that part of money went for the letter
22 boxes. What is it?

23 MR. IVANOV: The money was budgeted
24 in March with letter boxes.

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1 MS. CHANDOZI: Before the
2 increases?

3 MR. IVANOV: With the increase.
4 Concurrent, with the increase. I'm sorry,
5 you weren't here, right?

6 MR. O'CONNELL: She wasn't here in
7 March.

8 MS. CHANDOZI: No, I wasn't here.
9 But the other person was. Did you get
10 that person?

11 MR. IVANOV: Could you elaborate a
12 little bit on your question?

13 MR. O'CONNELL: Sean O'Connell, No.
14 55.

15 You're asking if there should be
16 extra money. First of all, there's
17 \$31,000 not being paid to the Association
18 by people that don't pay their fees.
19 They're late. They're behind. They're
20 just not paying. So us getting that
21 increase, the extra payments coming in,
22 really, are just backfilling the deficit
23 that we already have.

24 As soon as we close on the loan, if

1 we do, we'll have enough money to pay the
2 loan, but we'll still have that deficit,
3 because some people are not paying their
4 fees.

5 MS. CHANDOZI: Excuse me, Grace,
6 again, I say how are you going to
7 guarantee that people are going to pay the
8 fees?

9 MR. IVANOV: We cannot guarantee
10 that people will pay. We do, however,
11 guarantee that as soon as they don't pay,
12 they get a letter, and then get another
13 letter, and then get a lien, and then they
14 will be foreclosed within a year, and the
15 money will be returned to the Association.

16 MS. CHANDOZI: Within a year?

17 MR. IVANOV: Within a year.

18 MS. CHANDOZI: Look at that, a
19 year, it's not happening right now.
20 People are not paying.

21 MR. IVANOV: First of all, people
22 are not that delinquent. We see less
23 delinquency than before.

24 MR. O'CONNELL: Yes. Within the

1 last year, it's gone from 70,000 down to
2 31. There's a legal process of
3 collections. We can't just come to your
4 house if you owe us money, bang on your
5 door, and drag you out and take you out.
6 There's a process that takes almost 300
7 days, if somebody refuses to pay. It
8 takes them almost 300 days, for us,
9 through our lawyers and the banks to go
10 through the process and get the money, if
11 they don't want to pay. We can't make
12 people pay.

13 If people don't want to pay, they
14 don't pay. They loose their place. That
15 takes up to a year, legally. We can't do
16 anything about it.

17 The process we have are processes
18 in place. There's steps. You're 30 days
19 late, you get a letter; you're 60 you
20 start -- there's a process. The exact
21 process I don't know, right at the top of
22 my head, but every increment, 30 days, 60
23 days, 90 days, it starts a process. You
24 get letters. You get letters from

1 lawyers. If you don't set up a payment
2 plan, we're coming after you. You don't
3 want to pay, we're going to take your
4 place. If you do want to pay, we don't
5 want to take everybody's unit. We want
6 people to stay and pay, and everybody to
7 be happy. People are on payment plans.
8 Everybody is struggling for money. So
9 some people that are far behind, they're
10 on a slow payment plan.

11 We would rather have somebody on a
12 slow payment plan then tell them "Screw
13 you. We're going to take your place.
14 Forget the payment plan. We're just going
15 to foreclose on you." That's the process.
16 And that's what it is. We're doing what
17 were supposed to be doing according to the
18 law to get the money that we we're owed.

19 MR. IVANOV: Mr. MacDonald.

20 MR. MACDONALD: John MacDonald,
21 Unit 95, is this increase because it's
22 tied to a loan, sun-setted? In other
23 words, once the loan is paid off, the
24 roofs and everything is done, will there

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1 be a decrease in the monthly condo fees
2 because it's all done?

3 MR. IVANOV: This is going to be
4 eight years from now.

5 MR. MACDONALD: I know. In the
6 best of all possible worlds, you don't
7 know if something else might come along.

8 MR. IVANOV: Assuming that
9 inflation doesn't shoot up, it's possible
10 but we also do have buildings which have
11 other problems.

12 MR. MACDONALD: Because in this
13 state, when they passed a tax they say
14 "It's only temporary," and it turns out to
15 be permanent.

16 MR. IVANOV: I cannot tell you
17 what's going to happen in eight years,
18 unfortunately.

19 MR. MACDONALD: No, I'm speaking
20 for the people like myself that are
21 retired or on a fixed income, more or
22 less. And that's what they're worried
23 about, the increase in -- like you were
24 just talking.

1 MR. BRAESE: But also remember that
2 you control it. In other words, every
3 year this body is going to vote on a
4 budget, and the budget may or may not
5 include this loan, but you guys can decide
6 what your condos fees are going to be.

7 MR. MACDONALD: You'll probably
8 really try to reduce it once you --

9 MR. O'CONNELL: I guess the one
10 thing you can count on is, we don't get
11 paid, so there's no -- like, the
12 government -- there's no slush fund or
13 bonuses or vacations we're going to be
14 buying each other to take that extra
15 money. If there is extra money, if we
16 need projects done that will improve our
17 property value or improve our
18 neighborhood, we'll go ahead and do them.

19 If there is extra money and there's
20 nothing to be done, which I find hard to
21 believe, but if there's nothing to be
22 done, yes, absolutely. You will either
23 have a reduction in your unit monthly dues
24 or maybe just a surplus check.

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1 MR. MACDONALD: That's what I
2 wanted to ask you.

3 MR. BRAESE: Absolutely. Unlike
4 the government, extra money we can't do
5 nothing with it. What are we going to do
6 with it?

7 MR. IVANOV: Yes, Marie Griffin.

8 MS. GRIFFIN: Marie Griffin, Unit
9 67, I know that, I think, we agreed to
10 this budget at the last meeting.

11 MR. IVANOV: That's correct.

12 MS. GRIFFIN: But in every other
13 year, I've lived here 31 years. I live in
14 the first original building. And with the
15 proposed budget, we always received a
16 paper and, I think, Ms. Hilton was handed
17 one tonight, and she's the only one that
18 has it. There was, also, a paper of how
19 much money came in via the condo fees, how
20 much -- you don't name people,
21 specifically -- how much that we were in
22 arrears for, and that's part of the annual
23 thing.

24 And it hasn't happened. I would

1 think everybody, every unit owner should
2 have a copy of that paper that Ms. Hilton
3 has. And that's part of the yearly annual
4 thing. You don't propose a budget without
5 letting us know where our reserve fund is,
6 how much is in it, how much money was
7 taken in by the Association, and how much
8 money is missing, because of people that
9 are negligent in paying their condo fees.
10 That always was part of the package, and I
11 would like to see that happen. I mean,
12 I'm telling you, I moved here since 1978
13 and that's what's happened until the last
14 two years.

15 MR. IVANOV: Except for the
16 delinquency, there is an eleventh-month
17 actual column, which indicates how much
18 money was spent and where at the 11th
19 month of the previous fiscal year, and how
20 much condominium fee income is, and how
21 much was budgeted.

22 MS. GRIFFIN: Where does it say?
23 I've got cataracts growing. Maybe I'm not
24 seeing this damn thing right, pardon me

1 for saying that.

2 MR. BRAESE: That goes down.

3 MS. GRIFFIN: Is this the money
4 that came in via the condo fees?

5 MR. IVANOV: This is the budget.

6 MS. GRIFFIN: So, now you're saying
7 this is, like, 22,000 difference that
8 didn't come in.

9 MR. IVANOV: This is money spent.
10 This is money planned to spend. This is
11 money actually spent.

12 MS. GRIFFIN: I would like to see
13 it on a separate page set up. I'm used to
14 dealing with the past and -- it only says
15 "RN" after my name. It doesn't say "CPA."

16 And I, also, would like to say,
17 just ask a unit owner, okay. I'm retired.
18 I'm on a fixed income. I pay my condo
19 fees. I have paid my condo fees every
20 month of every year that they were due.
21 And right now, I'm really petrified of
22 taking out a \$300,000 loan with people in
23 arrears. I think those of us who pay our
24 condo fees, I personally feel like I'm

1 being penalized for the people that don't.

2 And what's to say -- you just said
3 a little while ago -- not you
4 specifically -- or Mr. Braese or Sean or
5 one of you said recently you can't predict
6 after a loan is taken out how many people
7 will not pay or be in arrears.

8 You, also, stated that it would
9 take up to a full year to recoup that
10 money, which meant the poor soles would be
11 put into foreclosure which, you know, in
12 one hand they deserve to be and if their
13 really suffering, you know, I don't know,
14 but if somebody that lives alone and
15 raised two kids alone and always paid
16 their condo fee, I'm starting to feel like
17 I'm being penalized for paying. That's
18 why I would like a separate sheet of how
19 much money has come in --

20 MR. IVANOV: Marie, I'm sorry. We
21 will next time, this column will be on a
22 separate sheet. But right now people are
23 leaving while, actually, leaving the
24 proxies --

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1 Elaine, has everyone left a proxy?

2 MS. ROMANO: We're still good.

3 MR. IVANOV: Wonderful. So we
4 still have quorum, so far.

5 MS. GRIFFIN: Could I, just the
6 fact that we're here to vote on the loan.
7 It's really my opinion, my personal
8 opinion, that in this climate, that we're
9 in, the government doesn't tell us,
10 truthfully, how much people are out of
11 work. You know, Rhode Island it's
12 supposed to be 13 percent. They don't
13 count the people that have two part-time
14 jobs. They count the working people.

15 MR. IVANOV: Folks, can we quiet
16 down a little bit, because we have a
17 transcription going on.

18 MS. GRIFFIN: I mean, our
19 government, itself, doesn't tell us how
20 many people are out of work. The people
21 have gone through all of their
22 unemployment. They're not part of that
23 13 percent in Rhode Island. Or the people
24 that are working, you know, they're

1 working for McDonald's and maybe working
2 the other two days at Wendy's. They don't
3 count that it's taking two part-time jobs
4 for them to not even make what their real
5 income is.

6 I'm very uncomfortable with
7 borrowing over a quarter of a million
8 dollars. I think, truthfully, we could do
9 it -- and I apologize for voting for this
10 in March. I really am ashamed. I didn't
11 think it through, but I truly believe this
12 is not the climate for this to go in. You
13 could do two or three roofs a year.

14 MR. O'CONNELL: Whoever wasn't here
15 for the meeting, and most of you were, the
16 reason we're doing the roofs -- and they
17 needed to be done as soon as possible --
18 is the last couple of years, building
19 after building, unit after unit is getting
20 damaged. And we're going out having to
21 re-plaster, re-paint, fix this, re-tar the
22 roof, fix that, money on top of each
23 other, keep spending money on patching
24 roofs. It's just a waste of money, and

1 they're falling apart.

2 We've had three people, engineers,
3 come in and look at the roofs and nobody
4 said a good thing about any of them except
5 for H.

6 MR. IVANOV: Yes. H was redone.
7 That's the only one which was redone.

8 Marie, let me give someone else a
9 word.

10 Yes, please -- and folks, we're
11 going to wrap the discussion up now,
12 because it has been quite a long time so.

13 MS. POORE: I'm Theresa Poore, No.
14 79, and I apologize because I wasn't here
15 in March. This might be a question that
16 was answered back then.

17 If we don't go for the loan, are
18 the roofs just not going to get done and
19 are the condo fees going to go up again
20 to, kind of, supplement it, and do we
21 start some of it or do we have an
22 alternative plan?

23 MR. IVANOV: If we don't vote on
24 the loan, the roofs are not going to be

1 done, because in order to have the roofs
2 done we would have to increase condominium
3 fees about \$400 per month each unit. So
4 in order to pay for the roofs if the loan
5 is not taken out, in order to do it in one
6 year, we would have to increase
7 condominium fees about, I think, \$400 per
8 month each --

9 MS. STAVISH: Two hundred.

10 MR. IVANOV: Two hundred?

11 MS. STAVISH: Three hundred
12 thousand divided by 128 units is roughly
13 \$2,400 per unit.

14 MR. IVANOV: It's actually by 100
15 percent. So it's going to be by
16 percentage rate. Yes, but you see the
17 point. It's going to be a lot. And it
18 would have to be done in a forum of
19 special assessment or just the roofs
20 continue leaking.

21 MR. O'CONNELL: For the most part.

22 MR. IVANOV: But folks, we have to
23 move it along, because otherwise people
24 are going to fall asleep or leave.

1 One last question.

2 MR. ELLIOTT: I have a condition
3 question, Dana Elliott, Unit 101, Farrwood
4 Drive, the condition that the bank is
5 making, that there are questions that the
6 reserve funds go into the bank so they do
7 have them, giving the fact that things are
8 constantly breaking down, a \$20,000 pipe
9 that broke this past couple of month's,
10 I'm sure other things might break in the
11 future, do we have access to that?

12 MR. IVANOV: We have complete and
13 full control of those funds. Those funds
14 will not be locked. They will be simply
15 put in that bank. And what that does,
16 with a bank balance sheet, it's money
17 coming in and money coming out. And in
18 the total, there's zero. So, essentially,
19 it's good for the bank because they don't
20 lose that required percentage of capital
21 they have to have.

22 Folks, sorry, it's been pretty much
23 an hour and 20 minutes with questions on
24 this.

1 Very quick, thirty seconds each.

2 MR. MACDONALD: John MacDonald,
3 Unit 95, all of the different proposals,
4 whether it's eight years, seven years, six
5 years, have you decided on the exact
6 number of years you're going to have this
7 loan?

8 MR. IVANOV: Yes, sir. Eight
9 years.

10 MR. MACDONALD: Eight years. That
11 would be the best loan?

12 MR. IVANOV: That would spread it
13 out so.

14 MR. MACDONALD: Would you ever
15 consider, like, splitting it between two
16 banks and then measuring the performance?

17 MR. IVANOV: It becomes very
18 complicated.

19 MR. BRAESE: It's difficult to get
20 the banks to actually make proposals that
21 are legitimate proposals.

22 MR. IVANOV: Yes.

23 MS. NEISTADT: Sylvia Neistadt,
24 Unit 49, I still don't quite understand

1 what you've said. And you said if we
2 don't go with this loan and we don't fix
3 all the roof then we're going to be paying
4 for, I forget, how many hundreds of
5 dollars a month, to repair these things.
6 That's what you're saying?

7 MR. IVANOV: No, no, no. You
8 misunderstood me. That's not what I said.
9 I said that even if we don't get that loan
10 and we do want to do the roofs -- if we
11 want to do the roofs and we don't get the
12 loan, in order to pay for the roofs we
13 would have to have an additional increase
14 of several hundred dollars per unit, per
15 month.

16 MS. NEISTADT: Well, I still don't
17 understand why you can't consider doing
18 three of them. And you're cutting it back
19 to three instead of the amount or half mI
20 mean.

21 MR. O'CONNELL: The problem is we
22 had this discussion in March. And,
23 unfortunately, there was three, four
24 people that have this opinion -- it's fine

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1 to have that opinion, but the overwhelming
2 majority of the people that were here in
3 March decided against that. They thought
4 it was better to do them all at once
5 instead of having a larger --

6 MS. NEISTADT: Well, that was
7 March. And now, you've called another
8 meeting again, so we have to --

9 MS. CHANDOZI: What's the point of
10 having another meeting?

11 MR. O'CONNELL: We've called
12 another meeting to finalize, because we
13 have the final terms of the loan and
14 that's what it is.

15 MS. NEISTADT: That's not the way
16 this is handled.

17 MR. O'CONNELL: What is not right?

18 MS. CHANDOZI: Because right now,
19 we are here for nothing. If you want to
20 finalize what we have discussed, then
21 what's the purpose of the people being
22 here? What did you call the meeting for
23 the rest of the people to be here?

24 MR. O'CONNELL: Because in March,

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1 there was not a final read on the loan.

2 There was a 6.25. Right now it's five --

3 CONDO RESIDENT: And it's a
4 different bank --

5 MS. CHANDOZI: I just heard her
6 saying she regrets --

7 MR. O'CONNELL: She regrets -- she
8 has the opportunity tonite to change her
9 vote, just like you do -- but you weren't
10 here -- but you have an opportunity to
11 vote --

12 MS. CHANDOZI: You can't say you
13 discussed about that in March. You have
14 to finalize it today. We have the right
15 to say whatever --

16 MR. IVANOV: Excuse me, the
17 reporter needs only one speaker. One at a
18 time please.

19 Sean.

20 MR. O'CONNELL: Yes, you certainly
21 do. That's why we're here.

22 If you didn't have the right, we
23 wouldn't have called the meeting. We
24 would have just pushed through the loan.

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1 Then people would have sued, and it would
2 have slowed down the process. That's why
3 the people suing already, that's why the
4 process hasn't started.

5 CONDO RESIDENT: What are they
6 suing, the condo Association?

7 MR. O'CONNELL: We can't discuss
8 that.

9 MR. IVANOV: You can go to Lawrence
10 Superior Court and get the filings.
11 They're public record, but we can't
12 discuss that.

13 MR. O'CONNELL: We need a motion.

14 MS. GRIFFIN: I would just like to
15 have a minute. Marie Griffin, again, from
16 67, we have, according to the paper that
17 Ms. Hilton has, \$310,000 in reserve. Why
18 can we not use some of that money, maybe
19 half, to repair the roofs, let the rest of
20 it go to Brookline Bank?

21 We have to lower the amount of this
22 loan. If we put up 150,000 to repair, and
23 you borrow 150,000, that's 300,000. What
24 are we sitting on 310 for it to just make

1 it 100 percent safe for Brookline to give
2 us a \$300,000 loan? That doesn't make
3 sense to me. It just doesn't.

4 MR. IVANOV: Please, let me,
5 basically, explain it. We have eight
6 buildings. Those buildings are 20 years
7 old. Now, you just asked a question, let
8 me respond, please.

9 MS. GRIFFIN: Some of them are over
10 30 years old.

11 MR. IVANOV: Over 30 years, even
12 worse. We have constant leaks in the
13 second floors, especially bad in buildings
14 A and B. Judging by what happened to
15 Phase I, when they started doing their
16 roofs their entire second floor was
17 rotten. Their fascia boards were just
18 non-existent. They rotted out. That
19 repair, alone, will cost several hundred
20 thousand dollars by itself.

21 If you reduce the reserve fund and
22 you suddenly find that you have severe
23 mold conditions, which are 30,000 per unit
24 to clean up, or you have a building which

1 requires urgent repair, because the wall
2 is rotten, you have no money. By reducing
3 the reserve, you're putting yourself in
4 danger of not being able to respond to
5 emergency conditions or having another
6 emergency repair.

7 We have eight buildings. Try to
8 figure out how much it will cost to build
9 that building now, right? If you even
10 assume that the cost would be \$20 million,
11 which it probably is, right, judging by
12 older repairs, which happen, then we're
13 having 1 percent of the total cost in
14 reserve right now, maybe 2 percent, but we
15 have reserves which are incredibly small.

16 And according to our reserve study,
17 we're paving our driveways and parking
18 lots will cost \$2 million.

19 Redoing the shingles, the second
20 floor aluminum singles, which have to be
21 sandblasted and repainted and repointed
22 and finally replaced, will cost hundreds
23 of thousands of dollars, and if we start
24 drawing from the reserves we can, but if

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1 we have to do something else, we can't do
2 it.

3 Yes, Leslie Hilton. This is the
4 last question.

5 MS. HILTON: Okay, last statement.

6 Now that I've got the floor.

7 Leslie Hilton, 143, per the building
8 inspector of the City of Haverhill, and
9 I'm glad you mentioned Phase I. They
10 still got leaks, because the workmanship
11 that was done was shoddy. If these roofs
12 are passed tonite, or in the future, I
13 want Lambert Roofing. I want the turbines
14 left, because your own engineer stated in
15 the study that you quoted last year, that
16 we have well-ventilated attics, which
17 means that the ridge vents and the
18 turbines stay. But I do not want
19 coupon-type people, the lowest bidder. I
20 want the best bidder, the best roofer to
21 do these roofs if we're going to go into a
22 \$300,000 loan.

23 I want to change the bylaws that we
24 get the best person when it comes to

1 anything over 10,000 in the reserve fund,
2 that we have the best workmanship done
3 not, like the decks that were just done.
4 Maybe some people had good luck, others
5 didn't.

6 Okay. I'm not getting into
7 personal stuff now, if the roofs are done,
8 I want them done correctly, and I want
9 them done by a top person, and I want it
10 done by a qualified roofer and none of
11 this shoddy stuff from a coupon book that
12 they go through. The management
13 company -- no offense -- allegedly, I'm
14 not happy with their workmanship, okay.

15 MR. IVANOV: Point taken.

16 MS. CHANDOZI: Grace Chandozi, 128,
17 you just said that she's going to be the
18 last one, but I guess maybe you are
19 allowing me to say this. The decks, our
20 deck was done early this year. If you go
21 tonight, it is cracked already. So that
22 means we just need to be done again. How
23 much did you spend on that deck? I don't
24 know.

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1 MR. IVANOV: It is cracked?

2 MS. CHANDOZI: Yes.

3 MR. IVANOV: It's a very simple
4 issue. You call PMA, and we get a
5 contractor to look at it. That's about as
6 much as I can tell you.

7 MS. CHANDOZI: I'm just supporting
8 her point. That you have your people.
9 You are bringing in to give money or what,
10 but it looks like you have your people
11 with you, give money for work to be done.
12 It's not properly done. And you shoving
13 money out and making people pay for
14 nothing.

15 MR. IVANOV: If the work is not
16 properly done, you need to address it as
17 anything which the Association does, you
18 call PMA and you tell them this and this
19 is done, "It's broken. It's not done up
20 to how I want it to be done," and the
21 Association with call --

22 MS. CHANDOZI: Excuse me --

23 MR. IVANOV: -- let me respond,
24 please.

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1 MS. CHANDOZI: -- let me finish
2 off. I have a filing here of they say,
3 address it to the Board. It's good enough
4 I'm here today. People are here. You are
5 hearing it. We're sick and tired of
6 writing letters and nothing's being done
7 properly. I don't know whether the PMA is
8 representing us or they're doing their own
9 thing. You know, you get letters and
10 replies to you the way they feel like it.

11 MR. O'CONNELL: When was the
12 letter?

13 MR. IVANOV: When was the letter?

14 MS. CHANDOZI: We owe this place
15 money, but we don't deserve such writings
16 to us. I have the folder right here. You
17 write an issue.

18 MR. O'CONNELL: Bring it up.

19 MR. IVANOV: Bring it up. Bring it
20 up.

21 MS. GRIFFIN: Bring it up to,
22 Arcadiy.

23 MR. O'CONNELL: Bring it up. Bring
24 it up, that folder.

1 MS. STAVISH: Unit 114, on this
2 \$11,000 project, I happen to look at the
3 slab out of the blue this week. The slab
4 is cracked like a V.

5 MR. IVANOV: Which slab?

6 MS. STAVISH: The 128 slab. It was
7 part of our \$11,000 project. It's
8 cracked, and it's cracked on a V and one
9 of the cracks looks like it goes from
10 front to back on 128 slab, 1 inch deep.
11 And what I'm saying is: This is our
12 \$11,000 project.

13 MR. O'CONNELL: Yes.

14 MR. IVANOV: And if there are
15 problems with the work that has been done,
16 you need to call PMA and ask him to look
17 at it.

18 MS. STAVISH: I just found this
19 out.

20 MR. IVANOV: That's wonderful.
21 Then, just report it to PMA.

22 MS. STAVISH: And I'm just
23 surprised no one else has looked at it. I
24 just walked around our property and found

1 it, because it's our \$11,000 project which
2 had graffiti on the side.

3 MR. IVANOV: Was graffiti put there
4 by the contractor?

5 MS. STAVISH: No.

6 MR. IVANOV: Then, what's this
7 regarding B.J.? If there is a crack, you
8 need to call PMA, tell them there is a
9 crack, PMA will call the contractor. They
10 will come out to get a look at it, but
11 what has graffiti has to do with the
12 actual project?

13 MR. O'CONNELL: Anything that has
14 to be done, landscaping, trash pick-up,
15 decks, anything that's done wrong, any
16 contractor that we have on the property
17 that you see that does something that
18 shouldn't be done, if somebody calls a
19 plumber themselves and they're on the lawn
20 call it in. Report it. We'll come out
21 or PMA will come out or Elaine will come
22 out and look at it, and if they messed up
23 the project on your house they'll come
24 back and fix it. That's what we paid them

1 for.

2 MS. STAVISH: I have done that
3 process and have been told "Put it in
4 writing," and I honestly don't have the
5 time to pursue certain things --

6 MR. IVANOV: Yes. Absolutely. You
7 need to --

8 MS. STAVISH: Let me finish,
9 because I gave you your time.

10 I'm just going on record to say
11 that our \$11,000 project is cracked, that
12 there's piping where water flows below it,
13 and we had an engineering study done, so I
14 don't understand that. And, incidentally,
15 with the situation where we have graffiti
16 on one end of the building, my building at
17 Unit 128, and we have graffiti on 113 --

18 MR. IVANOV: What does graffiti
19 have to do with anything, at this point?

20 MS. STAVISH: It has to do with the
21 \$11,000 project being defaced. That's a
22 detriment. So let's not argue the point,
23 Arcadiy. I'm just bringing it to the
24 attention.

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1 MR. IVANOV: Thank you for bringing
2 it to the attention, but we're not talking
3 about the people who put graffiti on our
4 walls right now.

5 MS. STAVISH: No, we're not. We're
6 talking about the \$11,000 slab being
7 cracked.

8 MR. IVANOV: Okay. If we're
9 talking about that, I already stated, your
10 standard way is to report it to PMA.

11 Now, yes.

12 MR. MACDONALD: I'm not trying to
13 impede the conversation, MacDonald, Unit
14 95, when I was down in Florida and I've
15 heard other people, the latest
16 construction on roofs is made out of metal
17 or steel, and everybody is doing it. They
18 can afford to do it, and it's the greatest
19 thing ever. Has that been considered --

20 MR. O'CONNELL: I don't want to cut
21 you off, but we have looked at all the
22 options on how to do the roof, and there
23 are 700 different ways, which we've come
24 to a consensus, between the three of us --

1 me, Arcadiy and Todd -- and the engineers
2 with their opinions on what's the best way
3 to do it, and how it's going to be done,
4 if it gets done, and who's going to be
5 watching these contractors do it right and
6 make sure that it's under warranty so when
7 stuff cracks when they do a bad job, they
8 come back and they are held responsible.
9 We're taking every step --

10 MR. MACDONALD: This is supposed to
11 be like the vinyl siding. It lasts
12 forever. It's made out of metal or steel.
13 It looks like the gable roofs.

14 MR. O'CONNELL: Thank you,
15 Mr. MacDonald. We're going to have to
16 move on.

17 MR. MACDONALD: Yes. But has that
18 been investigated? Have you looked into
19 it?

20 MR. IVANOV: The engineer is
21 proposing the project spec. We're
22 reviewing it.

23 MR. MACDONALD: It's the latest
24 innovation of building roofs.

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1 MR. IVANOV: It is probably most
2 expensive, as well. But that's a very
3 long discussion.

4 Now it's really the last question
5 folks.

6 MR. MARCUS: It's not a question.
7 Marcus, Unit 71, I'm a licensed PE in
8 quality. I, also, have been certified
9 with the National Organization for
10 Quality. You don't get quality by picking
11 somebody who has a good name. You do it
12 by writing a spec.

13 MR. IVANOV: We have an engineer
14 working on the spec, through multiple
15 durations.

16 MR. MARCUS: And individuals, in my
17 opinion, have no right to stand up and say
18 "I want" a company.

19 MR. IVANOV: Individuals can stand
20 up and say whatever they want. Whether
21 they actually have a standing to make that
22 decision, that completely and entirely a
23 different question. The Board will, along
24 with the engineer, the engineer will

1 interview the contractors and the Board
2 will decide, based on the interviews with
3 the engineer, the work which is promised
4 to be done by the contractor -- in
5 writing, obviously -- the procedures we're
6 going to follow and the history of how
7 they've done the previous work and,
8 finally, the actual price.

9 Now, that's about it. Can we make
10 a motion?

11 MR. BRAESE: Let me just for a
12 second, let me just add in what we're
13 doing, what these motions are.

14 Basically, you voted on some things
15 in the March meeting. We're either
16 reconfirming or not reconfirming those
17 motions tonight. The purpose of this is
18 to allow me -- if you decide to go forward
19 with the loan, the Mortgage -- to allow me
20 to write a letter to the closing
21 attorneys, certifying that you've
22 authorized the Board to move forward with
23 this. That's what these motions are, just
24 so there's nothing that's unclear here.

1 That's the purpose of them.

2 I wrote these motions, but it's up
3 to you to either vote them up or down, so
4 if anybody has any questions for me as far
5 as these motions are concerned yell them
6 out now.

7 MS. LIEVENS: Susan Lievens, Unit
8 90, if we vote on this loan, when would it
9 take effect and when would we start the
10 roofing?

11 MR. BRAESE: That's more Arcadiy's
12 department.

13 MR. IVANOV: The vote will take
14 effect immediately after the vote. The
15 loan will start closing on the loan as
16 soon as possible. The roofing
17 construction cannot be done during winter,
18 because the adhesion may not be proper
19 during winter time. So the roofing
20 reconstruction will start in Spring.

21 Are these questions on the motions?

22 MS. SHEAHAN: Well, it's on the
23 loan. I mean, are we going to start
24 paying for the loan -- Mary Sheahan, 158,

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1 are we going to start paying on the loan
2 now?

3 MR. O'CONNELL: You're already
4 paying.

5 MR. BRAESE: You have been paying.

6 MR. IVANOV: It's all budgeted,
7 right?

8 MS. SHEAHAN: No, no, no, I'm
9 talking about the interest and so forth
10 that we're paying back the --

11 MR. BRAESE: When the loan is
12 closed.

13 MS. SHEAHAN: Yes. We're going to
14 start paying interest and we're not having
15 the roof done.

16 MR. BRAESE: What it is, it's an
17 eight-year loan. So if you look at it
18 from an eight-year standpoint, anywhere in
19 that eight years, you don't do the draw on
20 the \$300,000 dollars right away. You can
21 do the roofs at anytime during that time
22 period. But at the end of that eight
23 years, that loan is done. And then you
24 guys make a decision on whether you want

1 to keep the condo fees where they are or
2 reduce them, however you want to do it.

3 MS. SHEAHAN: But we're going to
4 get money on the \$300,000.

5 MR. BRAESE: The interest will
6 start right away. The day you close is
7 the day the interest starts.

8 MS. SHEAHAN: Yes, but that's the
9 day you move in.

10 MR. BRAESE: Right. But it's
11 irrelevant in this case, because you're
12 using it for, essentially, a home repair.
13 So if you were to take a five-year loan
14 out to do a home repair on your condo, and
15 you take it out today but you didn't do
16 the repair until that spring, it's still a
17 five-year loan no matter how you do it.

18 In other words, you're not paying
19 interest for something you're not getting.
20 You're paying it back on the terms you
21 agreed to when you decided to do the
22 homeowner repair. Does that help?

23 MS. SHEAHAN: When I did mine, I
24 got a builder's loan. And when I got the

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1 money, I got a small amount and I paid the
2 interest on that, and then I got more.

3 MR. BRAESE: That's right.

4 MR. O'CONNELL: Right now, there's
5 a rate. There's no guarantee that the
6 rate will stay the same. It could go up;
7 it could go down. It's a gamble. So if
8 we wait until the spring to close, the
9 rate from 5.5 could be -- and the reason
10 we're here tonite is to tell you it's 5.5.
11 Here's the deal. Here's the terms of the
12 loan. Is this okay with you; yes or no?

13 MS. SHEAHAN: We don't have to add
14 the 2.25 percent?

15 MR. O'CONNELL: Well, yes.

16 MS. SHEAHAN: So it'll be 7.8?

17 MR. BRAESE: Yes. Off the record.

18
19 (Off record discussion)

20
21 MR. IVANOV: Back on the record.
22 Okay, folks we have to make a motion.
23 Otherwise, we're going to be here
24 until the roofs fall down.

1 MR. BRAESE: Let me clarify that
2 just for a second. The fixed rate is
3 2.25, over comparable maturity Federal
4 Home Loan Bank of Boston advanced rates.
5 So it's whatever that rate is, plus two
6 and a quarter, for the floor of 5.5.

7 What that means is that if those
8 funds rate are two and a half below that
9 5.5 -- which they are right now -- you're
10 going to end up locking in at that 5.5,
11 but that number will fluctuate over time,
12 that baseline funds raised.

13 MR. IVANOV: Until you lock.

14 MR. BRAESE: Until you lock. So if
15 you can get the low rate now, you're
16 locked in for eight years. You pay it
17 off. Whenever you do the home repairs
18 is --

19 MS. SHEAHAN: So it'll end up being
20 5.5?

21 MR. IVANOV: Well, it depends.

22 MR. BRAESE: Funds rate, plus two
23 and a quarter. Right now, you can get it
24 at 5.5. A year from now, you might not

1 get it at 5.5, because that baseline funds
2 rate may be higher. So that's what
3 fluctuates.

4 Basically, they're going to get the
5 money and lock the rate in order to get
6 that rate right now, because interest
7 rates are so low. If the interest rates
8 go up, you're not going to get that rate.
9 And really, you're looking at it for eight
10 years. You're not looking at it for the
11 winter or a year or something like that.

12 MS. STAVISH: Arcadiy, can you just
13 clarify one point in here, because on that
14 paragraph that counsel's referring to it
15 says the rates for a period of two to five
16 years and you keep saying eight. Can we
17 get eight as opposed to five and then
18 another three?

19 MR. IVANOV: No, we can't. And no
20 bank offers more fixed rates for more than
21 five years.

22 MS. STAVISH: So we're going to
23 lock it, tomorrow, for five years and be
24 adjusted at three to get to eight?

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1 MR. IVANOV: Yes. But we, also,
2 can refinance it after two years with no
3 penalties.

4 MS. HILTON: Could you just sum
5 that up, please?

6 MR. IVANOV: Absolutely. The loan
7 is for eight years. We will lock for five
8 years. You can refinance without penalty
9 after two years. So you have three years
10 to refinance for another fixed rate, if
11 you don't like the adjusting after five
12 years.

13 MR. O'CONNELL: Sean O'Connell, 50,
14 I would like a motion to hereby authorize
15 the Board of Managers of Farrwood Green,
16 Condominium, Phase II, to obtain bids for
17 financing and for repair of the common
18 area roofs of building A through G.

19 Do I have a second for that motion?

20 MR. DEVNEY: I second.

21 MR. IVANOV: Unit 49. I'm sorry?

22 MR. BRAESE: You can take a
23 handcount, and then if there's any debate,
24 we can do a roll call.

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1 MR. IVANOV: All in favor, please
2 raise your hands.

3
4 (Show of hands)

5
6 MR. IVANOV: Opposed?

7
8 (No showing of hand)

9
10 MR. IVANOV: Is there a debate that
11 the ayes have it?

12 MR. BRAESE: The Chair says that
13 "The motion carries."

14 MR. IVANOV: The motion carries.
15 Is there a debate that the ayes
16 have it, based on the handcount?

17 CONDO RESIDENT: It's not a
18 handcount. It has to be by interest.

19 MS. GRIFFIN: And proxy.

20 MR. BRAESE: If you debate that,
21 then you need to ask for a count.

22 CONDO RESIDENT: That's right and
23 that's what we're asking for.

24 MR. SEWARD: I challenge the vote

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1 based on the changes to the bylaws, which
2 state that the vote of the majority in
3 interest for unit owners present and
4 voting at a meeting shall be binding upon
5 all unit owners.

6 MR. BRAESE: Just ask for the
7 count.

8 MR. IVANOV: You state your unit,
9 name and number, and ask for the count.

10 MR. SEWARD: I asked for a complete
11 counting by unit name, unit number, and
12 the percentage that they have an interest.
13 The condominium association as has by
14 bylaws.

15 MR. BRAESE: Arcadiy, just read the
16 roll. Ask for affirmative or negative and
17 then we'll do the percentage. I'm sorry,
18 what's your name, again?

19 MR. IVANOV: What's your name, for
20 the record?

21 MR. SEWARD: Gerald Seward,
22 S-E-W-A-R-D, No. 100.

23 MR. IVANOV: One hundred, okay.
24 Unit 49?

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1 MS. NEISTADT: I think I'm going to
2 change my vote and let it go through.

3 MR. IVANOV: So, yes or no?

4 MS. NEISTADT: Yes.

5 MR. IVANOV: Thank you.

6 Unit 50?

7 MR. O'CONNELL: Yes.

8 MR. IVANOV: Unit 53?

9 MS. CLEMENTE-PAKENHAM: Yes.

10 MR. IVANOV: Unit 56?

11 MS. CUMMINGS: Yes.

12 MR. IVANOV: Unit 65?

13 MS. LEBEDEV: No.

14 MR. IVANOV: Unit 67?

15 MS. GRIFFIN: No.

16 MR. IVANOV: Unit 68?

17 MS. GRIFFIN: No.

18 MR. IVANOV: Unit 71?

19 MR. MARCUS: Yes.

20 MR. IVANOV: Unit 72?

21 MS. GRIFFIN: No.

22 MR. IVANOV: Unit 79?

23 MS. POORE: Yes.

24 MR. IVANOV: Unit 82?

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1 MR. DELEO: Yes.
2 MR. IVANOV: Unit 83?
3 CONDO RESIDENT: Yes.
4 MR. IVANOV: Unit 90?
5 MS. LIEVENS: Yes.
6 MR. IVANOV: Unit 92, proxy for the
7 Board.
8 Arcadiy Ivanov, 138, votes yes.
9 Arcadiy Ivanov votes, Unit 105, by proxy,
10 yes. The Board votes unanimously for the
11 vote, so Unit 92 votes yes.
12 Unit 95?
13 MR. MACDONALD: Yes.
14 MR. IVANOV: Unit 98, proxy for the
15 Board votes yes. Unit 99, proxy for the
16 Board votes yes.
17 Unit 100?
18 MR. SEWARD: No.
19 MR. IVANOV: Unit 101?
20 MR. ELLIOTT: Yes.
21 MR. IVANOV: Unit 102, proxy for
22 the Board votes yes.
23 Unit 103?
24 MS. HARVEY: No. I changed my

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mind.

MR. IVANOV: Unit 111?

MR. PAYNE: Yes.

MR. IVANOV: Unit 115, proxy for
the Board votes yes.

Unit 100 -- did I skip you?

MS. STAVISH: Yes, you did. You
skipped me, and I vote yes for 114.

MR. IVANOV: I'm sorry about that.
Unit 116, proxy for the Board votes
yes.

Unit 118, proxy for the Board votes
yes.

Unit 127?

MR. DEVNEY: Yes.

MR. IVANOV: Unit 128?

CONDO RESIDENT: No.

MR. IVANOV: Unit 132?

MR. O'CONNELL: No.

MR. IVANOV: Unit 133?

MR. O'CONNELL: No.

MR. IVANOV: Unit 136?

MR. O'CONNELL: No.

MR. IVANOV: Unit 142?

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MS. HILTON: No. Proxy.

MR. IVANOV: Unit 143?

MS. HILTON: No.

MR. IVANOV: Unit 144?

MS. GUSTAVE: No.

MR. IVANOV: Unit 154, proxy for
the Board votes yes.

Unit 158?

MS. SHEAHAN: No.

MR. IVANOV: Unit 159, proxy for
the Board votes yes.

Unit 160, proxy for the Board votes
yes.

Hold the record.

(Off record discussion)

MR. IVANOV: Back on the record.

Unit 173, proxy for the Board votes
yes.

Hold the record, please.

(Off record discussion)

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1 MR. IVANOV: Back on the record.

2 Folks, we're going to take a
3 three-minute recess to tally up the votes,
4 according to their respective common
5 interest percentages. So you can get some
6 coffee, stretch your legs. Thank you so
7 much.

8 Off the record.

9

10 (Brief break)

11

12 MR. IVANOV: Back on the record.

13 Let's quiet down. Is everyone
14 back? It looks like everyone is back.

15 Okay. We count 26 yeses, 14 no's,
16 and the vote does not appear to be close
17 enough to have the percentages counted.
18 So percentage will be counted when
19 transcription is ready but, so far, it
20 looks like the ayes have it and we're
21 going to move on.

22 MR. BRAESE: Arcadiy, just call the
23 next motion.

24 MR. IVANOV: Next motion.

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1 MR. O'CONNELL: I would like to
2 make a motion to authorize the Board of
3 Managers of Farrwood Green Condominium,
4 Phase II, a board authorized and existing
5 under the Farrwood Green, Condo 2, Master
6 Deed, to borrow up to \$300,000, from
7 Brookline Bank and said Board is
8 specifically authorized and empowered to
9 execute any documents required to complete
10 the loan and deposit the proceeds in the
11 Condominium Association bank account.

12 Do I have a second for that?

13 MR. PAYNE: Blair Payne, 111,
14 second.

15 MR. IVANOV: Everyone voting yes,
16 please, raise your hand.

17
18 (Show of hands)

19
20 MR. IVANOV: Thank you.
21 Everyone voting no, please raise
22 your hand.

23
24 (Show of hands)

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MR. IVANOV: Based on the show of hands, it appears that is ayes have it.

Does anyone request a roll call?

Once again, does anyone request a roll call?

The ayes appear to have it. The ayes have it.

The next motion.

MR. O'CONNELL: I would like to put a motion forward, a motion to authorize the Board of Managers of Farrwood Green Condominiums, Phase II, to raise the monthly condo fee -- which has already been done.

MR. BRAESE: That's right.

MR. IVANOV: To the respective numbers, for 1 percent common interest, the new condo fee effective April 1, 2009, is \$228.80.

Hold the record.

(Off record discussion)

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1 MR. IVANOV: Back on the record.

2 MR. BRAESE: Let me just say one
3 thing, this motion is not to raise your
4 condo fees, today. This motion is to
5 reaffirm the condo fees that were raised
6 at the last meeting.

7 MS. HILTON: Excuse me,
8 Attorney Braese, isn't it illegal to
9 retroactive vote in raising condo fees?

10 MR. IVANOV: It's not retroactive.

11 MR. BRAESE: No. This is a
12 confirmation vote, so this is not illegal.

13 MS. HILTON: But we're having this
14 meeting to confirm the last meeting,
15 allegedly, apparently, wasn't legal,
16 right?

17 MR. BRAESE: No. The last meeting
18 was legal, but the whole purpose of this
19 meeting is because of the pending
20 litigation. We want to be absolutely sure
21 that everything is voted by the Board and
22 by the Association and it's recorded. And
23 that's what we're trying to do here.

24 MS. HILTON: Okay.

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1 MR. DEVNEY: I have a question,
2 peter Devney, 127, so a no-vote would be
3 what?

4 MR. BRAESE: A no-vote, in this,
5 would mean that your condo fees go down,
6 to where they were before the March
7 meeting. So in other words, you're not
8 reaffirming the vote of the March meeting.

9 MR. DEVNEY: Okay. Thank you.

10 MR. IVANOV: I'm afraid we're going
11 to have to start from the beginning with
12 the motion. I have the numbers now.

13 Yes? Blair Payne, 111.

14 MR. PAYNE: 111, Blair Payne,
15 didn't we just vote to do the loan?

16 MR. IVANOV: Yes. But we, also,
17 have been to vote separately on the condo
18 fees.

19 MR. PAYNE: Well, you can't do the
20 loan if you can't support it, with the
21 common fees.

22 MR. IVANOV: Yes. And then we'll
23 be in a pickle if the condo fees go down.

24 MR. PAYNE: Well, we already voted,

1 at the annual meeting, to raise the condo
2 fees.

3 MR. IVANOV: That's correct.

4 MR. PAYNE: Why do we have to vote
5 on that again? This is more of a
6 clarification meeting about the loan.

7 MR. IVANOV: Right. I can answer
8 this question.

9 The loan is part of a budget. So
10 the three have to be confirmed together.
11 Now, these motions were drafted by Dan
12 Braese to conform to Massachusetts General
13 Laws Chapter 183A, the Master Dead and the
14 Bylaws. So this is just, simply, a
15 procedure we have to follow in order to
16 get everything recorded properly.

17 MR. PAYNE: But everyone has to
18 understand that by passing three, in
19 theory, we've passed four and five, even
20 though your doing it in a way --

21 MR. IVANOV: I'll let Dan Braese
22 explain.

23 MR. BRAESE: If you don't pass
24 condo fees to support the loan, then I

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1 would recommend you go back and reconsider
2 your taking out of the loan, because you
3 won't have the income base to pay them all
4 back. But that, again, is up to you guys.

5 MR. IVANOV: We have to do the
6 motions. I'll, basically, read in the
7 motions. I move to --

8 MR. BRAESE: Arcadiy, you can't
9 move. You can chair. You can read the
10 motion in. There's a motion on the floor
11 to --

12 MR. IVANOV: Okay. I'm going to
13 read in the motion, and the motion will be
14 on the floor and somebody else will move.

15 A motion is hereby made to
16 authorize the Board of Managers of
17 Farrwood Green Condominium, Phase II, to
18 raise the monthly condo fees as follows:
19 The new condo fees beginning April 1,
20 2009, for unit carrying 1 percent common
21 interest will be \$228.80.

22 For units having .775 percent of
23 common interest, the condo fee is \$177.32.

24 For units carrying .74 percent of

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1 common interest, the condo fees are
2 \$165.31 --

3 MS. GRIFFIN: One sixty-nine.

4 MR. IVANOV: What did I say?

5 MS. GRIFFIN: One sixty-five.

6 MR. IVANOV: \$169.31, I'm sorry. I
7 apologize.

8 MR. O'CONNELL: I pay that and I
9 didn't know.

10 MS. POORE: Theresa Poore, 79, I
11 make a motion to accept the motion that is
12 on the floor.

13 MR. IVANOV: Do I hear a second?

14 MR. BRAESE: You don't have to do
15 that. You just have to second it.
16 Somebody has to second it.

17 MS. POORE: Okay. I second it,
18 then, or whatever I need to do.

19 MR. BRAESE: That's okay.

20 MR. IVANOV: All those in favor,
21 please raise your hands.

22

23 (Show of hands)

24

1 MR. IVANOV: Thank you.

2 All opposed, please raise your
3 hands.

4
5 (Show of hands)

6
7 MR. IVANOV: It appears the ayes
8 have it. Does anyone want a roll call?

9 MR. BRAESE: Ask them one more
10 time.

11 MR. IVANOV: Does anyone want a
12 roll call on the motion that is on the
13 floor right now?

14
15 (No show of hands)

16
17 MR. IVANOV: Let the record
18 indicate that there is complete silence.
19 The ayes appear to have it. The ayes have
20 it. Moving on.

21 And then we have the last item.

22 MR. O'CONNELL: A motion is hereby
23 made to accept the budget as presented.

24 Does anybody want to second that?

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1 MR. IVANOV: Do we have a second?

2 MS. POORE: Theresa Poore, 79, I'll
3 second it.

4 MR. IVANOV: Thank you.

5 Everyone in favor, please raise
6 your hand for the budget.

7

8 (Show of hands)

9

10 MR. IVANOV: It's the same budget
11 which was approved in April. Please raise
12 and hold your hands.

13

14 (Show of hands)

15

16 MR. IVANOV: Thank you.

17 Everyone opposed, please raise your
18 hands.

19

20 (Show of hands)

21

22 MR. IVANOV: The ayes appear to
23 have it. Does anyone request a roll call?

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(No show of hands)

Does anyone request a roll call
with respect to the motion which was just
voted on?

(No show of hands)

MR. IVANOV: The ayes appear to
have it. The ayes have it.

MR. O'CONNELL: I would like one
last motion to adjourned this meeting.

MS. GRIFFIN: I second it.

MR. IVANOV: Marie Griffin, 67,
second it. All in favor?

(show of hands)

MR. IVANOV: The ayes appear to
have it. The ayes have it. Thank you so
much.

(Hearing adjourned at 9:02 p.m.)

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COMMONWEALTH OF MASSACHUSETTS

I, DAWN L. HALCISAK, NOTARY PUBLIC, do
hereby certify that the foregoing is a true and
accurate transcription of my stenographic notes,
to the best of my knowledge and ability.

WITNESS MY HAND, this 6th day of
October, 2009.

Dawn L. Halcisak