

**MASTHOPE MOUNTAIN COMMUNITY PROPERTY OWNERS ASSOCIATION
GENERAL MEMBERSHIP MEETING
NOVEMBER 10, 2018
PROPERTY OWNERS LODGE**

Transcriber: Kelli Myers

10:00AM Meeting called to order and Pledge of Allegiance said.
Bruno de Vinck stated we have a quorum.

Bruno de Vinck requested a motion to waive the reading of the July General Membership Minutes.

MAKER: Inaudible

SECOND: Leatrice Langer 458MR

MOTION PASSES BY VISUAL INSPECTION.

Bruno requested a motion to approve the Minutes from the July General Membership Meeting.

MAKER: Inaudible

SECOND: Maria Porter

MOTION PASSES BY VISUAL INSPECTION.

Bruno requests the appointment of the chair of tellers: Jerry Jacobs 210FW and Carolyn DeSimone 47FW.

10:05AM Treasurers Report – Gerhard Buhler, report from September 2018, see attached. He addresses the Aqua tariffs that are being proposed. There would be a significant increase in the monthly invoices for both water usage and sewer. The Board decided to hire a specialized firm to appeal these increases. This is an unplanned expense, but it is in the best interest of community. This may need to be funded by a special assessment. There is a proposal to consolidate the financial section in the Bylaws. This will simplify the reserve accounts. See attached for further clarification.

Bruno ask the membership if there are any questions regarding the treasurer's report.

Stanley Mangano 817RM-Why is the market working with a deficit? Gerhard answered that the market has always been a challenge. Sales are expected to rise with ski season approaching. Gerhard continued that he has been tracking the market's numbers for the past few years and it's been at just about the breakeven point at this time of the year. Masthope treats the Summit and Market as one food and beverage department which combined operates in the black. Stanley asks how long do we want to support the market. Gerhard added that the question is do we want to have this convenience available to us. The costs incurred by the market are driven by the high prices of getting product delivered to the market.

Carolyn DeSimone 47FW-She asks about the Aqua tariffs and the specialist Masthope hired to represent the community. Why aren't we using our lawyer that we have on retainer. Gerhard explains that you need a specialist that deals with tariffs. The law firm that was hired specializes in these specific types of tariffs and Masthope has used this firm in the past.

Joanne LaPlace 849MR-She stated that they cannot hear where they are seated. Gerhard reiterated that Masthope had to hire a firm that specializes in disputing tariffs.

Bruno stated that we do have a quorum, that was confirmed by William Owens, Masthope's accountant.

10:13AM President's Report-Ed McClary-Since June there have been a couple of ups and downs for the community. The lodge's water heater needed to be replaced. Three new committees have been formed: Pass Policy Committee, Amenity Usage Committee, and Ski RFP/RFI Committee. He addressed the Aqua tariff and the unexpected expense of the firm representing Masthope. The membership is asked to vote on a few items today. We just received the ATV surveys back today. The Committee will have a report on the results within the upcoming weeks and will report it back to the Board and membership. Masthope is in good financial standing. Management has done a great job over seeing operations. There have been many new members attending meetings, asking questions and offering assistance. It is nice to see this participation from the membership. He hopes that it continues.

10:18AM Manager's Report-Ron Schmalzle-Ski Report-There will be no water problems this year. It has been the wettest summer and fall reported. The problem is the mountain is soggy, which makes it difficult to work on some of the projects that they wanted to complete before ski season. The lift inspections are completed. They upgraded technology on the Grizzly and Little Bear Chairlifts. Their staff has done a great job. The snow making equipment grows every year. That allows us to open multiple trails in a couple of days. The community continues to invest in the ski facility. The ski mountain is a one of a kind gem for the community. Staff is in the process of testing and calibrating rental equipment. The Ski Swap will be taking place next week. Pray for cold weather so they can run at full capacity.

Randy Schmalzle-Community Report-He thanks the volunteers for all of their hard work. They keep the community going. He acknowledges John Grandy's hard work trimming the community's bushes. Oktoberfest was great this year thanks to the help of our volunteers. All the committees are made up of volunteers. He thanks staff for a great summer season. It is difficult to get lifeguards. We compete with surrounding communities for lifeguards. Woodloch was offering a signing bonus to join their staff. Our staff was loyal to Masthope. Winter maintenance is taking place. Plow trucks are in place. We have salt and cinders on site. Maintenance has been trimming trees along roadways to make the roads safer. The new lodge floor is completed. Road paving is completed. Some roadway patching still needs to be completed. Weather has made this difficult to complete. Ski Swap is coming up next weekend. Summit participated in the Habitat for Humanity Dinner. Restaurants come together and show case an entrée. Joe and his staff did a great job. It was a great summer at the Tiki Bar. This is a challenging time of year. After researching various communities that have a restaurant, most communities must subsidize their food and beverage facility. The Summit is a self-sufficient, profitable restaurant. The marketplace has always been a challenge. The market is a service for the community. Unfortunately, it takes its hits. We are looking into other options. He thanks everyone for coming out to the meetings. There have been a lot of new faces. He continued that his door is always open, and he will sit and speak with anyone. Please continue to volunteer. The community is always moving forward, and it keeps changing. There a lot of young families moving into Masthope.

Ron acknowledges the veterans in the room and thanks them for their service.

10:35AM Bruno -The presentation of the motions:
Regarding the Ski Contract:

Whereas, the Masthope Mountain Community Board of Directors has recognized a need for the cancellation of the ski contract to facilitate the fair and equitable operation of the ski operation.

Whereas this cancellation will not impact the budget for this year and will not change the existing ski operation rules in effect today.

Whereas this is the first step in the creation of a RFP (Request for Proposal) to insure the operation of the ski facility in future years.

Whereas, the Board of Directors approved this motion to be sent to the membership at the September 29, 2018 Board of Directors meeting.

MOTION: Therefore, be it resolved that the Membership authorizes the Board of Directors to cancel the remainder of the current contract upon the approval of a Board negotiated temporary or bridge contract for a period of one year. Cancelling the current contract will not impact the budget for this year and will not change the existing ski rules in effect today.

Regarding the Bylaws revisions:

Whereas, the Masthope Community Board of Directors has approved the drafting of new Capital Reserves rules to be documented in the Community Bylaws during its December, 2017, meeting, and,

Whereas, the members of the Budget Committee and the Document Review Committee have been providing new and updated Capital Reserves rules which have also been reviewed by the Community legal counsel and the Community auditor, and,

Whereas, the new proposed Community Bylaws also consolidate all financial and funding rules into a single Article of the Bylaws, and

Whereas, the Board of Directors pursuant to Article VIII has approved a board motion to send the amended Articles to the community for approval;

MOTION: Therefore, be it resolved that pursuant to Article VIII of the Masthope Mountain Community Bylaws, the following proposals for revision of the Bylaws be approved by the association membership. The revised articles are part of this mailing.

1. Approve the amendment to Article I, Section D-9
2. Approve the amendment to Article III, Section Q and Article III, Section R
3. Approve the renumbering of Article VII and Article III
4. Approve the creation of a new Article VII and modification to Article III

Bruno-The appointment of the auditor-William Owens.

MOTION 1-CANCELLATION OF SKI CONTRACT

**MAKER: JOANNE LAPLACE
SECOND: MARGE HARTMAN**

**YES: 51 PRESENT, 150 PROXY
NO: 20 PRESENT, 84 PROXY**

MOTIONS-BYLAWS

1. ARTICLE I, SECTION D-9

**MAKER: JERRY JACOBS
SECOND: LEATRICE LANGER**

**YES: 59 PRESENT, 196 PROXY
NO: 0 PRESENT, 35 PROXY**

2. ARTICLE III, SECTION Q AND SECTION R

**MAKER: BILL CHILLIANIS
SECOND: TERESA SOLOWITZ**

**YES: 68 PRESENT, 200 PROXY
NO: 0 PRESENT, 41 PROXY**

3. ARTICLE VII AND ARTICLE III

**MAKER: LEATRICE LANGER
SECOND: SHELDON LANGER**

**YES: 63 PRESENT, 203 PROXY
NO: 0 PRESENT, 37 PROXY**

4. RENUMBERING ARTICLE VII AND ARTICLE III

**MAKER: JOANNE LAPLACE
SECOND: INAUDIBLE**

**YES: 67 PRESENT, 201 PROXY
NO: 1 PRESENT, 40 PROXY**

MOTION- TO APPROVE WILLIAM OWENS AS MASTHOPE'S INDEPENDENT AUDITOR

A member questioned how long this company has been Masthope's auditor. William Owens stated over ten years. Bruno added that William Owens is an independent auditor for many other communities as well. William stated that his company does over a hundred community associations. The member asked if there is a requirement in our Bylaws to change auditors after so many years of service. No there is no such stipulation in the Bylaws.

MAKER: SHELDON LANGER

SECOND: PETER TORCHIO

YES: 53 PRESENT

NO: 7 PRESENT

William Owens reads the results of the motions as presented above.

10:46am Property Owner's Time:

Ed Barker 9MR-He is concerned about the ski contract. They need information to make a viable contract. He has asked for a couple of years; what property belongs to Masthope and what belongs to Recreation Management. He feels that Management needs to give complete financial disclosure. Bruno agreed that Ed makes a good point. Ron Schmalzle explained that the Schedule A is in front of the Board. The Schedule A lists what property is owned by Recreation Management and what is owned by Masthope. They will disclose the financial figures that will be needed to create an RFP. A member asked when will the financial disclosure take place. Ron answered that they are ready to disclose information now.

Rose Perotti 164RF- Stated she is confused by the motion to approve William Owens as the independent auditor. It was not on the proxy and does not remember this being done before. Bruno explained that the motion was on his agenda copy. Rose asks if this is a legal vote since it was not on the proxies. Bruno refers to legal. William Owens stated that it is done this way every year. Alan Young stated that the decision rests with the Board of Directors. The governing documents do not mandate a membership vote for the independent auditor.

Bill Cutrone 1043FW-He asks if the membership could vote on the independent auditor. Alan stated that would require a document amendment.

Vincenza Fischer 1120AF-Addresses the wetland situation in the community and what is being done to protect existing properties. Randy explained that he is working with the Board to resolve this issue. A possible solution could be swapping the lot with another and then Green Spacing the wetland lot.

Bill Chillianis 204MR-There was enormous negativity created due to the lack of information that was given out regarding the ski contract. He feels that everyone forgets what a good job is done with the management of the ski mountain. Bruno agrees with Bill's statement. He explains that it is a very complex contract that needs to be created. Ron added that he is at fault for not properly administering the information to the membership.

Herman Matfes 207FW-He appreciates the Schmalzles hard work. The contract date was not a surprise. We knew it was coming. Can the Board share the bridge contract with the membership before it is approved? Ron answered yes, that it can be shared. Recreation Management has a large investment in Ski Big Bear. They created other businesses so their employees would have year-round employment. They are proud of the relationship Recreation Management has with Masthope. They are proud of this gem of a ski area. They will share the contract with the membership. Randy clarified that the vote today was to cancel this year's current contract if a bridge contract is approved. It has nothing to do with next year's bridge contract. Herman requests that they share the proposed bridge contract to solicit membership feedback. Ed added that they have had several discussions with Ron and Randy. Both sides are working to get a fair contract for both sides. Then it will be brought to the Board to vote on the bridge contract. If the Board votes no, the old contract will be put back in place for this season.

Rich Seidel 578MR-There is concern that some of the Board members did not know what was taking place. He feels that all members should be informed as to what is occurring. Ed explained it was a committee that was formed to negotiate contract terms. It was formed when Ed was still vice president. The committee consisted of Gerhard, Foster and himself to take a lead. It was not the Executive Committee of the Board. It will be going to the Board once it finalized by the committee. Nothing has been finalized. It is still in draft form. Ron admitted to disclosing the information without consent of the committee. He was aware that some Board members were not knowledgeable of what was taking place with this committee and Recreation Management.

Anatoli Rotserman 837MR-Regarding the tennis courts, there are more people playing tennis now. There should be reservations to use the court. The court could be better maintained. Part was inaudible.

Chris Lynch 74FW-He asked if they just voted to cancel the current ski contract but did not approve a new ski contract. Ed clarified that they voted to cancel the current contract if they can agree on a bridge contract. If the bridge contract is not approved the current contract would stay in place. Until the bridge contract is signed, the old one stays in place.

Mike Seyfried 157MR-When the original contract was put in place with the ski assessment, it made sense for both parties. Recreation Management is not benefitting from this contract now and is subsidizing the ski facility. We are all sharing in the costs of the ski facility also. Some families benefit from it more. He would like the Board to look at new ways to fund the ski mountain. They should take into consideration the home owners that don't use the ski facility.

Maria Porter 1246FW-Since there has been negotiations, is there a contract ready to be voted on? Ed answered that there is not a contract ready to be voted on at this time. There is just a framework for a contract.

Tom Kaminski 116FW-His friends rented out their home in the community and their renters destroyed their home. The people that appeared at the office, were not the people on the list. No identification was taken from the office staff. Randy responded that this did in fact happen. We are now taking copies of their identification. Randy clarified that the office is not the rental agent. We do not hand out keys for the houses. The office will not be held liable for those people being there. Your renters are the responsibility of the property owner.

Steven Smrek 289MR-He moved to the community 4-5 years ago. It is a beautiful community. He is from Long Island and it is very cramped there. Unfortunately, he had a neighbor build too close to his house in this community. He would like to see the buffer zones increased to avoid this from occurring. He does understand the need for variances when building due to water or rock ledge. In Long Island, they have a problem with "McMansions" (big houses built on top of each other) which ruin a neighborhood. Could the board change the zoning from 20 feet to 30 feet? Or would he need to start a petition to get this changed? Randy responded that he can sympathize with this matter. Years ago, the community purchased hundreds of lots from tax sale to avoid becoming over developed. They were offered to adjacent property owners to purchase and combine with their original lot. It is a monumental feat to change setbacks. We do issue variances, but the property owner has to prove hardship. It is not an easy thing to prove.

Mike Seyfried 157MR-He agrees with Mr. Smrek. The houses originally built were smaller. He feels that the height of the new houses is the issue.

Teresa McKibbon 334MR-They have a small chalet. They would like to enlarge their house when they retire. They were told that their house is on bedrock. Their basement would have to be above ground, but basements don't contribute to square footage. They were planning on having bedrooms in the basement and using it as living space. Randy recommended that they speak to the ECC Committee for information regarding construction.

There being no more questions, Bruno asked for a motion to close the meeting at 11:27am.
MAKER: SHELDON LANGER
SECOND: PAUL MORA

Motion passed unanimously and the meeting adjourned.