Smugglers' Notch Homeowners' Association, Inc.

Update for SNHA Annual Homeowners' Meeting and State of the Resort Meeting

July 15, 2011

About 100 or so persons (including SNHA member in good standing, Bill Stritzler) assembled for the annual SNHA homeowners meeting on July 2, we are providing a recap of the meeting including the important issues discussed and what needs to be done in the near future. While those in attendance are now fully aware of the status of SNHA discussions with resort management and decisions that need to be made shortly, this letter is primarily geared toward those of you who were unable to be with us last weekend. It is important that you spend some time reading this letter and also reaching out to friends and your regime directors who might have been at Smuggs last weekend to hear their views on what was discussed.

What's New?

Tone, Tone, Tone

Without question, the first place to lead off the "what's new " section of our summary is to report about the tone of our presentation and our interaction with our constituents. To put it briefly, we were approached by several SNHA members who thanked us for the time and energy we all put into providing service to you and protecting your rights. They also told us, however, that they would appreciate it if we toned down the rhetoric just a bit. "Just use fewer adjectives," one member suggested. So, having determined that we can sometimes be too passionate for our own good, we have agreed as a board to try to present a different tone, both through our communications with you and in general. Please speak with your friends and neighbors who attended the annual meeting and ask them if we got off to a good start.

It was very important to us, even in light of the toned down rhetoric that we continue to provide objective, independent analysis and advise our constituents about the issues that affect your home ownership at Smuggs. As such we approached Bill and asked him straight out: "What do you suggest we do if the SNHA finds itself in the position of simply disagreeing with the resort about some important issue, [like for example whether homeowners should sign the new contracts sent around by the OACS and the resort?]" After some discussion, Bill and the SNHA agreed that if, after discussion, the SNHA and the resort find themselves at odds about what is in the best interest of the homeowner, both sides should present an objective presentation of the facts and opinions each side holds. The opinions don't need to be dispassionate, but also don't need to be overly sarcastic or inflammatory. We hope you will find this Annual Meeting Update to be a first indication our new "tone."

Who Ya Gonna Call?

The theme of the SNHA meeting was; "Who Ya Gonna Call?" In a time of transition at Smugglers Notch, which we will touch on in a minute, who can you rely on to give you advice on how to deal with an issue? Yes the resort is on site, but what is the only entity you pay for that owes its fiduciary duty to you? Who can you call to run up to your home to check on something you might have forgotten? Who is on site to work with your regime directors or, if you are in a townhouse, with you directly to check your home's exterior and make arrangements for repairs, power washing, roof snow removal or deck staining? That's right… the SNHA. Recall it was SNHA's Executive Director Joe Ingram and his staff that accomplished the conversions of wood fire places to gas and the installation of air conditioning, with minimal impact on rental income during those difficult transitions. The SNHA answers to you. We have no *other* interest other than to act in your *best* interest. Who Ya Gonna Call … Who Do You Call … The SNHA.

Transition

Today we are faced with the inevitable transition in control of the resort. Already Club Wyndham parking passes are handed out to every owner and guest at the resort as Wyndham completes the construction of its state of the art sales center in what had been the offices of the Smugglers Notch Management Company ("SNMC") on the second floor of the main building. Is this a good thing for full owners? We don't know enough to make a call at this point. As was pointed out at the SNHA meeting, a good number of people have owned since Stanley Snider owned the resort. A majority of people in the room raised their hands to state that they expected to still own their homes 5-10 years from now. With all due respect to Bill and Bob Mulcahy, we believe it unlikely that they will be running the resort 5-10 years from now. So a majority of homeowners should expect to be dealing with new management during their ownership at Smuggs. Who Ya Gonna Call during this time of transition? Who are you going to rely on when you have issues and don't know where to turn? With your support, an independent homeowners association, the SNHA, will continue to have an office on site to respond to homeowner needs, to YOUR NEEDS.

SNHA Successful Tax Grievance

Barbara McGee of the SNHA board led a successful effort to have our tax assessments reduced. Working with attorney Hans Hussey, Barb offered the opportunity to grieve the current tax assessments to all full owners. 60 owners signed up and appraisals of various homes throughout the village were done, resulting in the view that many homes were over-assessed by 10-22%. As Barb reported on July 2, the "listers" in Cambridge agreed that village homes were over-assessed and agreed to reduce the assessments of not only those 60 homeowners but on ALL full-owner homes. Every full homeowner in the village owes a debt to Barb, Mr. Hussey, the SNHA staff and to those 60 homeowners who stepped up and filed the grievance. As the assessment reductions were nice (5-9%) but not fully reflective of the appraisal numbers we had obtained, Mr. Hussey is in the process of appealing the assessments

on behalf of the 60 original filers as well as for any other homeowner whose regime/building group participated in the appeal. These homeowners were notified that they must contact Joe Ingram and sign an engagement letter in order to be represented in the second appeal process.

Homeowner Rights and Negotiations between SNHA and the Resort

In early June, following a series of letters and e-mails from the SNHA, Bill Stritzler and the OACS group, the board of the SNHA realized that with the resort charging homeowners (full, TS and ES) 90% of the cost of Village Fees, and in light of the fact that the resort continued to take those fees despite instructions from member homeowner not to do so, the SNHA was going to be put in the position of seeking court intervention, we elected to reach out to Bill, one last time, to see if there was an opportunity to find some common ground upon which to begin to build path toward a settlement of some or all of the issues which have caused division these past four years. Bill agreed and discussions between Bill and Craig Greene of the SNHA were held both by phone and face to face in the weeks leading up to and following the July 4 weekend. Craig Greene, a homeowner in Slopeside who has had the most interaction with Bill, provided an overview of the three areas of controversy presently existing between the resort and full homeowners. First and foremost is the Village Fee. For a complete discussion of this issue see Village Fee below. For purposes of this review, suffice it to say that if we cannot work out this issue, and the resort continues to charge homeowners (all levels of ownership) 90% of the costs of the VF, while charging itself only 10%, homeowners may have no choice but to look to the courts for assistance in resolving this issue. This is especially so as renting homeowners have expressly advised the resort to not take the VF out of their rental income as that cost is disputed. The resort has ignored those instructions and continues to simply take the money from homeowner's rental income. For those of you that are at this point thinking about the "tone" discussion above, please understand … these are straight undisputed facts. There is no spin, no sarcasm and no adjectives. Over 80 homeowners gave the resort express, written instructions not to deduct any money as Village Fees as those amounts were unsubstantiated and disputed. Instead, these homeowners instructed the resort to send them an itemized bill for their VF's along with an explanation as to how the fee was arrived at. The resort did not listen and continued to simply take the money from rental income. Understanding that no one likes litigation, Craig asked the assembled members, "What would you do in your 'Home Life' if your boss deducted money from your paycheck that you did not authorize?" Most responded that sometimes resort to our legal system is a necessary last alternative. We hope the discussions about the VF will prove fruitful and litigation can be avoided.

The next topic discussed was deeded rights to the resort facilities for owners, families and guests. This topic has been an agenda item for the SNHA for many years. As such, Craig explained that as explained by our legal counsel, most full homeowners have an implied easement to the Courtside Pools and tennis courts. While the resort has specifically stated that it has not excluded any homeowners from access to these facilities, the resort has not acknowledged that access is because we have an easement right to the facilities. At this time of transition, it is likely the resort will be in the hands of some new owner or new management in the next five to ten years. As such, access to facilities "because the resort allows it," is simply not acceptable.

Finally, we announced that we have lined up an attorney who has agreed to take the comp day damages lawsuit on a contingency fee basis. Some final issues are being discussed, but the suit is ready to go for all those that are interested in participating.

In the spirit of cooperation, as indicated above, before moving forward on any of these three issues, the SNHA and Bill are engaged in one last final attempt to work out a compromise on a universal basis that the SNHA will hopefully be able to recommend to all homeowners on all three issues. Bill and Craig have begun discussions again, and we will have an answer within the next several weeks as Bill and Craig both put a 30 day time limit on bringing the discussions to an end. We will obviously keep you advised.

Do Not Sign on the Bottom Line
The Resort's New Attempt to Introduce Old Contracts

Craig explained that the contracts sent by the Resort/OACS are the identical contracts that each of the regime directors rejected three years ago. The following is a brief re-explanation as to why the SNHA strongly recommends that neither homeowners nor Regime Directors execute any of the contracts sent around by the Resort/OACS.

Property Management Contract

This is a contract which the Resort is asking Regime Directors and individual town home owners to execute, binding them to a 30-year agreement to use the Resort to provide services including plowing the regime parking lots, hallway vacuuming, trash removal and other common area regime maintenance functions. Initially, there is no reason for a regime to commit itself to a 30 year contract for any of these services. The Resort must provide these services if it wants to run its multi-million dollar resort business. The Resort cannot ask its guests to park in un-plowed parking lots, walk on un-shoveled walkways, carry luggage through un-vacuumed hallways, or discard trash in un-emptied trash closets.

While the SNHA strongly recommends against executing these agreements, we must make it equally clear and unequivocal that the Resort should, and must be paid for its services. Presently, the Resort is charging $1,050 per year to non-renting homeowners and $950 per year to renting homeowners for this service. If the Resort continues to provide quality service in these areas as it has for the past 18 months, each regime should absolutely pay the Resort, on a quarterly basis, for services provided. There is, however, absolutely no benefit to the regime or the homeowners to contractually bind themselves for 30 years to a payment for a service which the Resort must provide anyway.

A long-term contract whether it is for 10 years, or 30 years provides no benefit to the regime or homeowner. It only provides a huge benefit to the current Resort owner, increasing the potential sales price of the Resort to a prospective buyer. If we analogize the situation to our everyday life, most of us are not thrilled with having to execute a two year agreement for our cell phone service with companies as large and reputable as AT&T, Sprint, or Verizon. Why would any of us consider executing a 10 or 30 year contract with Smuggs for services which, pursuant to Section 11.04of the Services Contract, the Resort could assign, delegate, subcontract, or sell to any third party it wishes?

One of the biggest problems with this contract is the indemnification provision, Smugglers has included a provision whereby the Regime or Townhouse group

must indemnify Smugglers for any claim of liability from personal injuries, death or property damage unless the resort's actions were grossly negligent, willful or intentional. In other words, if the resort negligently repairs the steps as part of its duties, and a guest sues the regime, the regime must indemnify the resort for the resort's own negligent repair, including defending against the personal injury lawsuit. See Section 7.03.

Finally, the Property Management Contract ("PMC") does not have a provision for termination, other than for breach of the contract. In other words, as long as the Resort, its agent, subcontractor, or assignee performs, there is no way to terminate the contract. The regime/homeowner is literally stuck for the long term duration of 30 years.

Village Fee Contract

The long-term nature of the Village Fee Contract presents many of the same problems as those addressed above relating to the PMC. As with the PMC, the Resort must provide all of the services included within the PMC anyway These include providing water, sewer, stand-by fire protection, common area road maintenance and maintaining the common area green and other foliage. As with the PMC, the Resort must provide these services as long as it continues to operate a resort business. As such, there is no reason for homeowners to enter into an agreement in which they contractually bind themselves to pay a certain set amount of money every year which is subject to increase without regard to the actual costs incurred to provide the service. The Village Fee should be a reasonable amount reflecting the homeowners' equitable percentage of responsibility to pay for the actual cost of providing the service. The Resort's proposed Village Fee Contract requires homeowners to pay an amount that was set in 2007 based upon a 1985 contract increased at an approximate rate of 5% a year for 22 years without regard to the actual cost of providing the service. This may have been acceptable in 2007 when the Resort was paying renting homeowners a guaranteed 5% increase every year in rental income. It is not acceptable today given the fact that the fee is not tied to any actual costs and increases at a rate which also is unrelated to actual costs incurred. For a complete discussion of the Village Fee and the present 90% allocation to homeowners and 10% allocation to the Resort, see the "Village Fee" discussion below.

As with the PMC, this agreement is for 10 years, and pursuant to Section 10.04 the Resort can assign, delegate, subcontract, or sell its obligation to perform to any third party it wishes. And, as with the PMC, there is no cancellation provision to this contract, other than if the provider breaches the agreement. As such, you may end up in a long term relationship with an entity other than the resort and which you simply don't know. Again, there is just no reason in the world to execute this agreement.

Craig explained at the meeting that if the Resort and SNHA are able to come to a universal agreement on other issues including deeded rights and comp-days, the SNHA may endorse a short-term Village Fee Contract that is tied to actual costs incurred. The parties are presently discussing this issue (see contract negotiations above) and will keep you advised.

Rental Management Contract

Each of you reading this report will note the Board's conscious efforts to present only the facts relating to the various issues at hand and the Board's opinion based upon those facts without the "adjectives". The Resort's Proposed Rental Management Contract ("PRMC") is one exception where we respectfully suggest the PRMC is egregious. Initially, while both the Resort and the OACS have claimed the PRMC is "far superior", to the present contract, neither entity has advised you of one of the most significant provisions of the PRMC. Specifically, the PRMC contains a complete and total **Release and Waiver clause** which will totally eliminate any claim you might have against the Resort for any reason in any way relating to your home ownership. The reason the Board allowed the use of the term "egregious" on this one occasion is not because the Resort included this provision in the contract. As we explained at the Association Meeting, the Resort is a for-profit business whose primary motive is, and should be, to make money and eliminate to the greatest extent possible, its liabilities. Homeowners' outstanding rights and the potential to pursue those rights in a court of law is a liability for the Resort. What was egregious was the fact that neither the Resort *nor the OACS*, (which has advertised itself as an alternative homeowners association), ever advised you about this complete and total release of your rights. Instead, both entities, in their joint mailings, encouraged you in no less than four places to quickly sign the contracts and mail them back to the Resort as soon as possible. It is this business practice that we find to be egregious and respectfully disagree with.

Other provisions in the PRMC that have not been brought to your attention include the Resort's claim that it can bind a subsequent purchaser of the Resort to provide you with access to facilities via this contract. It cannot. The Resort has impliedly acknowledged as much through paragraph7.03 where the Resort states, "If the Resort is sold, Smugglers' shall require that the purchaser (and it's successors) assume in good faith all of Smugglers' obligation in this Agreement and the Owner shall thereafter have no claim or cause of action against Smugglers', its shareholders, officers or directors on account of the subsequent breach by the purchaser or its successors." " Through this language, the Resort has stated that it will agree to require a subsequent purchaser to offer access to facilities, but then completely and totally relieves itself from any obligation to you, the homeowner, in the event that the subsequent purchaser fails to provide that access. Provisions such as these are easily avoided through what are called "simultaneous closings." This is a business transaction where the Resort will hypothetically sell the company to Buyer A who, in order to satisfy the Resort's agreement with the homeowners, agrees to provide access to facilities. At the same closing, however, Buyer A sells the company to Buyer B without any such access provision. Following the simultaneous closing, Buyer B now owns the Resort, has no obligation to provide access, and the Resort is free from liability because it required Buyer A to provide access and you, the homeowner, have relieved the resort from all liability. While this may be confusing to the average homeowner, it is "Business Law 101" to any competent business attorney. **The only way to ensure perpetual homeowner access to facilities, as long as those facilities exist, is through deeded access to the facilities**. Once again, the SNHA and the Resort are discussing the terms of a potential settlement of deeded access rights as part of the potential universal resolution of all issues. In the meantime, **you should not execute this or any other contract provided by the resort**.

There are other substantially negative aspects to the Resort's PRMC. Your SNHA

explained many of these, in detail, three years ago, when the Regime Directors and homeowners flatly rejected these contracts. The present version of the contracts are virtually identical to the 2008 contracts and were drafted by the Resort's paid consultant and present Executive Director of the OACS, Dave Kenley. It is for this reason that we presume the OACS presentation supporting the proposed contracts was not given or explained by any OACS board member or Smuggs homeowner, but rather, by only Mr. Kenley. The OACS president openly acknowledged he was unfamiliar with the details contained in the contracts, was in the process of putting his home up for sale, and deferred to Mr. Kenley on all issues related to the contract.

Finally, as with the PMC and the Village Fee Contract, the PRMC is a long-term contract which provides absolutely no benefit to the homeowner. The one difference regarding the term of the PRMC as compared to the PMC and Village Fee contracts is that the PRMC does have a termination provision. The problem, of course, is that the termination provision is a full 13 months, making the homeowners choice to not rent, self-rent, or third-party rent, a virtual impossibility for well over a year from the time the decision is made.

The single most often asked question at the meeting regarding these contracts was, "What happens if I choose not to execute the new contract?" (which Bill said in his letter that you are welcome to do). The answer is simple. You will continue under the terms of your present rental management contract without any waiver or release clauses or long-term cancellation provisions. As with both the Property Management and Village Fee contracts, there is absolutely no benefit to the homeowner to executing this proposed new, (actually old), agreement. As explained above, long-term contracts only serve to benefit the Resort and provide no tangible benefit to the homeowner. For the reasons explained above, **the SNHA recommends that neither you nor your regime directors execute any of the proposed new contracts.**

Village Fees

One issue which had many people talking all weekend and into the week following the various meetings was the Village Fee. You will recall that prior to 2008 the village fee was set at a contractually agreed upon (based on a 1985 contract Bill himself negotiated on the part of homeowners when Bill was the lead negotiator for the SNHA and Stanley Snyder represented the SNMC) rate which was linked to the annual 5% increases in rental rates. In that contract the split of the village fee, which covered road and common area maintenance, water and wastewater was approximately 88% to homeowners and 12% to the resort and its for-profit operations. While this allocation seems out of line and the amount charged was not tied to any actual expenses incurred after 1985, it did not matter as the obligation to pay was contractually agreed to.

Moving to 2008, the 1985 contracts, following the required one year notice, were cancelled by the resort. During negotiations in 2007-2008 between the SNHA and SNMC, among the terms on the table in the context of a comprehensive agreement between the resort and homeowners was a proposed allocation of a village fee, then to be known as the "Utility and Other Services Fee", at 70% to homeowners and 30% to the resort. Following a handshake deal the SNHA had with Bob Mulcahy in November 2008, Bill rejected the comprehensive agreement and the SNHA made it clear that the 70/30 split was off the table. Since then, the resort has said that it would charge homeowners 70% of the total Utility and Others Services fee, often taking such fee out of rental income, disregarding homeowners

express, written instructions not to do so as homeowners believe that the SNMC is not entitled to such an arbitrary fee without providing the homeowner with documentation supporting the charge. The SNHA has made it clear that homeowners do owe some share of the common area charges and has suggested that $1,000.00 per year per home is a temporary compromise absent an itemized schedule of the components of such charges being provided to the homeowners and an agreeable and reasonable allocation among resort stakeholders.

In the course of discussions with Bill Stritzler in the days prior to the SNHA homeowner meeting Bill advised that the homeowner share of the

Village Fee (the name was changed back to village fee earlier this year) was actually **90%** with the resorts operations absorbing only **10%** of these road and common area charges.

Now let us clear up some confusion that was created at Bill's meeting on Sunday. The SNHA was very clear on Saturday that in the context of the Village Fee, the term "homeowners" included ALL types of ownership including timeshare and other interval programs. It was implied at the Sunday meeting (see below) that the SNHA had overstated the homeowner share and that the real number was 39 or 40% for homeowners. Let us be crystal clear on this; there are 640 residential units in the resort which we have been told by the resort, break down as follows:

Type of Ownership/Property	Share of Market Value per SNMC	Actual Number of Units
Full Ownership	40%	287
Club Ownership (timeshare)	40%	283
Equishare (interval ownership)	10%	70
Resort Properties	10%	n/a
Totals	100%	640

The bottom line is that no matter how you slice it, the for-profit resort operations, which include not only the skiing, camps (summer and winter), shops and restaurants that SNMC manages but also their for-profit third party concessions such as snowmobiling, dog sledding, flea market, pony rides, and others that all operate on the common grounds are being allocated only 10% of the road and parking lot maintenance and common area charges. It is the SNHA's position that a 10% allocation of common area charges to cover all of the trucks, cars and people that travel over the resort roads and utilize the common areas in the operation of the resort's for-profit business is unreasonable.

How does the resort come up with its 90/10 split? We have been told that they are now using market value of the properties. We have not seen these market values but for a number of reasons, market value is the wrong metric to use in this instance. First, the original land deeds suggest that usage is the correct method for allocating the costs to maintain the common areas. In addition, what is the market value of the space used by the main parking lot where day skiers come and go? What is the market value of the space used by the skiers boarding at Morse Mt. or the operator of the snow mobiles in the village green? What about the flea market vendors or the Mountain Grill BBQ? Should those operations bear absolutely NO SHARE of the costs to maintain the roads their guests travel over, the parking lot their guests park in and the land on which they operate? In our hometowns is it not true that businesses

and utilities are assessed and pay taxes to support local budgets at rates much higher than residential properties? There is a reason for this, those businesses and utilities produce far more wear and tear on roads, village parking areas the village green and other common areas of the resort in the pursuit of a profit. Shouldn't the same logic apply at Smuggs? Alternatively, if the collective homeowners are paying 90% of the cost to maintain the roads and common areas that these businesses operate through and on, it would seem only fair that a portion of the revenues derived from those operations be shared with homeowners, either through direct revenue sharing or at a minimum through an offset against the common area charges. If any homeowner thinks that we are being unreasonable taking this position, please let us know.

As was said at the SNHA meeting, we also believe that, as is done in the rest of the free world as is the case in any other residential community in America, the property manager should simply be required to document and itemize the components of the costs that homeowners are being asked to pay. As a homeowner, we believe that you have a right to see what you are paying for. Publishing this data also serves as an incentive for the property manager to seek the lowest bids from third party providers and to generally keep costs to a minimum without negatively affecting village services.

Finally, it is the SNHA's position that the cost of certain functions, security being the primary example, need to be allocated differently than other village common charges. Our view is that the current primary function of the Smuggs security department is resort guest relations and not protection of property. We do not begrudge the resort from setting those priorities but we do object to having homeowners pay 90% of the cost of security when we see security staff up during peak guest occupancy periods and lighten up on staff during off-peak periods when we have experienced thefts in our homes. If homeowners were given a say in the security budget and in setting the priorities of the security department, then we would consider paying for security as we do for roads and common area charges. To be clear, we believe security is essential and homeowners should be asked to pay something, but we should only pay for what we get, which in the present set-up is not exactly what homeowners need.

Bill's State of the Resort Meeting on Sunday July 3

Bill Stritzler, Bob Mulcahy and Lisa Howe discussed how the resort's deal with Wyndham came into being, plans for future development after the inventory of unsold timeshare units are sold, occupancy trends and how real estate sales will be handled in the future. On the last point, Janet Writer has been tasked with handling all full and interval ownership re-sales. Janet is an employee of SNMC. All other real estate sales persons at Smuggs are now employees of Wyndham

During Bill's presentation he made several references to the fact that one of our members and speakers at our July 2, 2011 meeting was an attorney and suggested that our presentation was not factual when we reported that the Village Fee was allocated 90% to HO's and 10% to the resort (see village fee discussion above). As we advised everyone at our meeting, we wish to maintain a peaceful tone and will not respond to these personal inferences. We will instead stick to the facts. Bill must have misunderstood the question when he told the HO's during his meeting that homeowners do not pay 90% of the Village Fees. The SNHA wishes to clear this up so there is no confusion. During our meeting on July 2, 2011, the SNHA reported that homeowners (again, clearly defined by

Steve Hoey in our meeting as ALL residential units in the resort) pay 90% of the Village Fees and the resort pays 10%. This is a fact. Bill Stritzler along with CFO Brian Stevens broke down the percentage of VF charges in a meeting with a SNHA representative on June 30, 2011 as follows: 40% to Full HO's; 40% to TS owners; 10% to ES Owners and 10% to the resort. No matter how you slice it, the bottom line is that the resort pays only 10% of the Village Fee. If this is in ANY WAY not accurate, we ask the resort to please send a simple factual e-mail response to all HO's. If it is accurate as we reported on July 2, 2011, we will continue to try to negotiate the issue with the resort.

One other important point made by Bill on Sunday was in his statement. "**I have never denied any owner access to the facilities**". Of course it has been the SNHA's position, going back to the time when current Executive Director of OACS, David Kenley was president of the SNHA, that homeowners have an easement to all of the facilities in the resort as a result of their ownership. It's what we all bought into and why a home in the village is valued far more than a similarly sized home down the road. As noted earlier, our present negotiations include an express easement to certain facilities to be appended to homeowner deeds. We can't have our sons and daughters be denied use of such facilities years from now when Bill is no longer the owner. Telling the next owner, "Bill said I would always have rights to use the pool" will fall on deaf ears. Just ask the holders of what they were promised would be "lifetime ski passes" at Killington. So when SNMC/OACS people tell you that 30 year contracts transfer the obligations of the present owner to any and all future owners, just remind them of the Killington case. (For those not familiar, people who purchased homes at Killington years ago had a contract which stated that they would receive free ski passes for life. When the Killington resort was sold a few years ago the new owner ended the free ski pass benefit and the homeowners sued and lost. There are no longer any free ski passes at Killington despite the number of lifetime pass owners who continue to own there.

During Bill's meeting a homeowner asked why the resort circulated the package of old/new contracts in June. Bill replied that some owners were not happy with the SNHA board and took it upon themselves to come up with a set of contracts. Bill did admit that he sent David Kenley, to help guide this group of homeowners and commented that the SNHA had made too much of the Kenley connection. (We respectfully point out again that Bill and the president of the OACS both admit that the contracts were written by David Kenley and when asked about specific terms in the contracts, OACS members admit that they are unfamiliar with the terms). SNHA president Tom Gangi rose following Bill's response to the questioner and offered to meet with the full owner representatives from OACS to discuss the contracts and to try to understand what our differences were. In an e-mail to an SNHA board member two days later the president of OACS rejected Tom's offer complaining that Tom's offer to meet with *owner representatives* from OACS was only done for "public relations purposes" as he objected to being told who OACS could send to the meeting. Again, Tom offered to meet with ANY group of owner representatives from OACS. If the issue is that David Kenley, a non-owner paid consultant, was not invited, we would again point out that this is further proof that Kenley, is the sole substance that is OACS. We also understand that Kenley and Lisa Howe were the only speakers at the OACS meeting.

What Can I Do As A Homeowner?

Stated simply, please pay your dues and support your independent homeowner association. Some of you have expressed a desire to end the hostilities and tone down the bickering. We hope that our July 2 meeting and this summary of the weekend of meetings reflects that we are seeking to do that and remaining factual without some of the sarcasm that may have crept into some of our earlier communications. Please let us know what you think.

Our theme for the weekend was "Who Ya Gonna Call?" Unless we get more homeowners to step up and pay their dues, the call could go unanswered at times. Frankly, we run the risk of having to lay off SNHA staff unless we have more support from homeowners. We believe that the dues amount is fair. As was noted at the meeting, $750 is the equivalent of the value of the three comp days that renters currently give the resort (down from 10 in the previous contract as a result of your SNHA's negotiations with the resort). We believe that is a reasonable amount for all of the services provided by Joe Ingram and his staff as well as for what the homeowner volunteers do on your behalf. We do not think raising dues further is acceptable to cover non-payers, so we again ask if you have not paid your dues for 2011, please do so. If you know of a friend or neighbor who has not paid their dues, please ask them to do so.

If you have any questions, please forward them to joe@snha.net and we will have someone contact you.

In order to be certain that all homeowners receive important information, we send these emails out via US Postal as well as emails. If you would like to opt out of receiving a paper copy in the mail, and help us save on the SNHA postage budget, please reply to snha@snha.net and list "no more paper reports" in the subject section of the email and give us your name and unit owned. Thanks for your attention

THANK YOU FOR YOUR SUPPORT

THE SNHA BOARD OF DIRECTORS

FOR A LISTING OF DIRECTORS GO TO:

HTTP://WWW.SNHA.NET/BOARD-OF-DIRECTORS/BOARD-MEMBERS