

Smugglers' Notch Homeowners' Association, Inc.

Annual Meeting

July 7, 2018 - Meeting House
Smugglers' Notch Resort



Meeting Agenda

Schedule - Overview

Saturday Morning July 7, 2018

8:00 – 9:00 Registration and buffet breakfast – Meeting House

9:00 – 12:00 SNHA Annual Meeting

12:00 - 12:30 Lunch buffet will be served - provided by Smugglers' Resort

12:30 - 1:30 Bill Stritzler and the management team will have a
presentation in the Meeting House during lunch

5:00 – 7:00 PM Homeowner Picnic at Tent near Morse Lift

Agenda continued

9:00 AM Call to order – Jay Kahn - President

Committee Reports

- Minutes 2017 – Barbara McGee
 - Budget/Audit – Herb Lewis
 - Housekeeping/QHP - Florrie Paige
 - Pet Policy - Florrie Paige/Lonnie Gee
 - Damage Fund - Liz Waldvogel
 - Rental Balancing - Lucia Homick/Liz Waldvogel
 - Insurance - Joe Ingram
 - Real Estate - Barb McGee
 - Technology - Kevin Rohrbacher (Lisa Howe)
 - RCI – Exchange Program - Michele Cloke/Pete Dloss/Resort
-
- Recreational access/common area fees – update by Jay Kahn
 - Nomination Committee Report – Elect 4 Directors - Florrie Paige
 - Other Business – and Adjourn

Minutes – Actions from 2017

Below are listed actions approved at the 2017 meeting followed by the presentations made during the meeting.

Action Items:

1. Minutes from 2016 Meeting approved
2. Financial reports by Herb Lewis as follows – approved
3. Special Motion from the floor:

Motion made by Craig Greene and seconded by John Mooney, and approved by voice vote.

“Membership support of the Board: Resolved that We, as members of Smugglers' Notch Homeowners' Association, Inc. (SNHA), in attendance at the July 1, 2017 Annual Meeting, hereby endorse and support our Board of Directors in their present effort to determine and follow a legal course of action to achieve a fair and reasonable recreational access and common area fee apportioning with Smugglers' Notch Management Company (SNMCo) on behalf of the membership of SNHA. In that effort, we specifically support SNHA retaining counsel to review the issues, and thereafter, follow counsel recommendations for achieving a resolution for recreational access and common area fee resolution that will survive asset change. We urge SNMCo to continue to engage SNHA in good faith negotiations. And further, the group of homeowners by adoption of the above resolution do not intend to give up or diminish any rights as contained within their deeds.”

Minutes – Actions from 2017...continued

Below are listed actions approved at the 2017 meeting followed by the presentations made during the meeting.

Action Items:

4. Election of Directors

Three SNHA board seats terms ended at this meeting:

Herb Lewis – RS 48

Lucia Homick – LS 19&20 and MV 13

Florrie Paige – Hakone 13

All have agreed to be nominated and to serve for terms ending 2020. The Board has endorsed their nominations. The membership accepted the nominations and moved to close the nominations and cast one ballot for the election of the above homeowners to serve as indicated. The motion was seconded and all approved by voice vote.

There were no other actions taken at the meeting.

Financial Reports – Herb Lewis - Members Equity

Assets	2017	2016	2015	2014
Cash	202,773	162,917	105,185	73,577
Assessments Rec.	51,418	48,905	52,360	44,863
Other Rec.	2,029	2,899	3,257	3,257
Inventory	3,197	3,210	5,032	3,175
Regime trust Accounts	762,241	576,164	439,354	683,974
Property & Eqpt. Net	1,760	1,255	1,062	1,785
Rent deposit	600	600	600	600
Other Assets	<u>2,907</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ 1,026,925	\$ 795,950	\$ 606,850	\$ 811,231
Liabilities				
Accts. Payabke & Accrued Exp.	9,244	21,337	35,244	25,769
Insurance Reserve	66,432	31,928	13,288	16,956
Due to regimes	762,241	576,164	439,354	683,974
Other Liabilities	<u>2,029</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	839,946	629,429	487,886	726,699
Members' Equity	186,979	166,521	118,964	84,532
Total Liabilities & Members' Equity	<u>\$ 1,026,925</u>	<u>\$ 795,950</u>	<u>\$ 606,850</u>	<u>\$ 811,231</u>

Financial Reports – Income Expense

Revenues	2017	2016	2015	2014
Association dues and fees	\$ 125,990	\$ 118,665	\$ 111,340	\$ 108,410
Special Projects & Proj Mgt Fees	159,026	172,722	151,606	76,776
Acctg, Planning & Insurance Fees	34,485	34,485	35,097	34,805
Other Income	11,115	12,781	8,623	13,550
Gas Program Service Fees	<u>6,194</u>	<u>6,194</u>	<u>6,194</u>	<u>6,156</u>
Total Revenues	336,810	344,847	312,860	239,697
Operating Expenses				
Payroll and benefits	129,001	103,857	99,808	99,808
Special projects expenses	115,706	134,131	129,383	40,817
Administrative & office expense	20,959	26,818	23,650	30,383
Bad debts expense	-	-	-	15,000
Payroll taxes	9,821	8,475	9,416	9,108
Accounting Fees	7,500	10,550	9,565	7,557
Board & homeowners meetings	4,198	3,319	3,253	2,865
Professional Fees	<u>28,761</u>	<u>10,140</u>	<u>3,353</u>	<u>2,553</u>
Total operating expenses	315,946	297,290	278,428	208,091
Insurance Premiums assessed	-	-	187,306	137,338
Insurance Premiums paid	-	-	(187,306)	(137,338)
Net increase in cash & cash equiv.	20,864	47,557	34,432	31,606
Cash & cash equiv. beginning	166,521	118,964	84,532	52,926
Cash & cash equiv ending	<u>\$ 187,385</u>	<u>\$ 166,521</u>	<u>\$ 118,964</u>	<u>\$ 84,532</u>

Financial Reports - Budgets

Revenues	2018	2019
Association dues and fees	\$ 132,860	\$ 139,730
Special Projects & Proj Mgt Fees	185,160	185,160
Acctg, Planning & Insurance Fees	34,485	34,485
Other Income	11,315	11,315
Gas Program Service Fees	<u>6,194</u>	<u>6,194</u>
Total Revenues	370,014	376,884
Operating Expenses		
Payroll and benefits	87,607	90,235
Special projects expenses	176,645	181,944
Administrative & office expense	29,358	30,239
Bad debts expense	-	-
Payroll taxes	8,994	9,264
Accounting Fees	8,000	8,500
Board & homeowners meetings	4,720	4,862
Professional Fees	<u>50,000</u>	<u>50,000</u>
Total operating expenses	365,324	375,044
Net Income	4,690	1,840

Housekeeping



Allison Tatro



Common Area Improvements (Laura St Cyr)

- Weekly Supervisor Inspection and Checklist for all buildings

- Common Area Vacuum Upgrade



Support Crew Initiatives (Colin Warner)

- Carpet Cleaning

- Linen Bag Delivery to homes with out a linen closet

RCI Housekeeping Scores

Smuggs	Mountain	Combo	Threshold	+/-
543	40	589		
142	2	144		
46	1	47		
15	0	15		
12	0	12		
758	43	807		
4.569	4.907	4.590	4.5	0.090

Quality Home Program



Laurie Thorpe

Action List Timeline

	Jan	Feb	Mar	Apr	May	June 1	Jun	Jul	August 1	Aug	Sep	Oct	Nov	Dec	
2015									2016 Action Lists distributed						Tube TV's replaced All 2015 Action List Items completed*
									Complete Action list items						
2016	Complete Action list items					2016 Action List completed			2017 Action Lists distributed						
							Inspections for 2016 Action List items								
									Complete Action list items						
2017	Complete Action list items					2017 Action List completed			2018 Action Lists distributed						
							Inspections for 2017 Action List items								
									Complete Action list items						
2018	Complete Action list items					2018 Action List completed			2019 Action Lists distributed						
							Inspections for 2018 Action List items								
									Complete Action list items						

Action Lists

- ❑ Schedule Projects immediately in August
- ❑ Contact Tracy at SNHA or Maintenance at Smuggs
- ❑ Notify Laurie Thorpe when items are completed
- ❑ If an item is questionable- request a review ASAP
- ❑ Do not overlook small items- our guests don't!
- ❑ Blocked from Rental Program but not removed

QHP Requests for 2019

- All VCR units, included combo units, removed
- All stoves will be “smooth top”

Smugglers' Notch Resort Animal Policy Committee



Lauren McKenzie,

Lindsey MacLeod

Tom McGrail

Paul Luneau

Lisa Howe

Brian Horton

Marcela Kulhowvick

Florrie Paige

Lonny Gee

Jim Mazur

George Belansek

High-level Issue

- New VT Lodging Regulations regarding animals in accommodations **require more extensive cleaning than previously performed** before the next guest enters any accommodation if the property is a No-Pet Establishment and the guest is not notified that an animal was in the home prior to their arrival.

The goal is to protect guests who may have allergies to pets

- ADA laws require all establishments to allow Service Animals in any accommodation with no extra fee to the guest.

New Vermont Lodging Regulation

□ 11.17 Pets and Service Animals

- 11.17.1 The licensee of each lodging establishment that allows pets into any guest room shall advise consumers that the establishment is “pet-friendly” by posting a sign in a conspicuous place at the front desk and notification at the time reservations are made to alert guests that pets are allowed.
- 11.17.2 The licensee of each lodging establishment where pets or service animals have been in a guest room shall meet one of the following requirements:
 - 11.17.2.1 The guest room is deep cleaned before the next guest. Deep cleaning shall include servicing and cleaning the guest room as specified in subsections (11.6) and (11.9), as well as vacuuming and **shampooing the carpet and upholstered furnishings** and vacuuming the mattress. **All bed linens, including sheets, mattress pads, blankets, bedspreads or top coverings, and pillow cases, shall be replaced with clean bed linens;** or
 - 11.17.2.2 If the room is not deep cleaned, the licensee shall not offer that room to any guest without giving notification to that guest that a pet or service animal was in the room previous to the new guest. **(THIS IS A KEY SECTION FOR OUR POLICY STATEMENT)**

General Resort Policy Statement

POLICY:

Smugglers' Notch Resort welcomes ADA Service Animals, as such a service animal may have been in the home prior to your arrival. Personal pets, including support animals, are not permitted in the resort.

Policy Objectives:

- Limit animals to ADA Service animals (not generally pet-friendly)
- Inform guests that a dog may have been in the home
This eliminates the need for a deep-clean prior to the next guest.
- Word in a way to support enforcement if required

Net Outcome

- **Essentially no change to historical operation**
- Policy Statement contains 3 important points
 - ADA Service Dogs are permitted on the resort (required by law)
 - Restricts dogs permitted on resort to ADA Service Dogs
 - Indicates a dog may have been in the home prior to the next guest (eliminates requirement for immediate deep clean)
- Dog registration form for service animals updated
- Guests are taken at their word when checking in
- Support Animals assessed on individual situation
- Enforcement based on dog behavior
- Additional cleaning is needed in full owner homes if they bring their dog
Cleaning may be performed by the housekeeping or an owner wishing to avoid additional housekeeping cleaning charges,

Full Owner homes – if Full-owner dog Extra Cleaning

- ❑ **Full Owners who bring their dogs have the option to self-clean and avoid extra housekeeping cleaning charges**
- ❑ This is really a partnership between owners and HSKPing
 - Extra care will avoid extra cleaning charges by HSKP'ing
 - Place separate sheets on places the dog usually sleeps, especially if on a bed.
 - ❑ If there is no hair on bedspreads or sofas – they are 'ok'
 - Vacuum carpet and upholstery to remove pet-hair
 - ❑ Sock Test– if dog hair gets on your socks as you walk around you are not done cleaning....keep on going until clean socks are hair-free
- ❑ HSKP will only clean if cleaner determines extra cleaning is necessary
 - Cleaner will likely lose piece-rate for 1-home that day because of extra time required
 - HSKP uses the sock test and visual inspection of bedspreads to determine if extra cleaning is required.
- ❑ Extra cleaning on a busy weekend is the last thing HSKP wants to do !!!
- ❑ If you do request HSKP to perform extra dog cleaning – please inform HSKP early the morning of your departure so cleaning can occur as early as possible for any guest arriving that day. If discovered late in the day – guests may be moved...

Damage Fund

Liz Waldvogel
George Belansek



Report on 2017 data

07/07/2018

What is the Damage Fund

- Unique to Full owners renting through SNMCo
- Fund is to socialize small expense items associated with rentals
 - \$500/occurrence limit
- Contributions are 5% of gross HO rental
 - 2.5% SNMCo
 - 2.5% HO

Fund Amounts

	2018 YTD 5/31/2018	2017	2016	2015
Fund Contributions	\$134,899	\$228,471	\$200,247	\$225,202
Actual Expense	\$44,894 *	\$164,758	\$213,376	\$271,533
Y-T-Y Actual Expense Increase/(Decrease)	(\$28,212)	(\$48,618)	(\$58,157)	94,114
Gross HO Rental	\$2,989,345	\$4,612,318	\$4,004,935	\$4,504,030
Refund to owners & Smuggs		\$63,713	-	-

* 2017 Expense to Date was \$73,106, on gross rent of \$2,762,927

Observations

- 2018 contributions are above 2017 by \$12,913 while expenses to May 31 are down \$28,212 compared to 2017
 - Suggests possibility for another return to owners in rental program at year-end.
 - 8 more months to go however...

Top 10 Damage Fund items 2017

Part	Total Charge
Vacuum Part: 8251	\$4,536.59
Blanket - Twin Part: 8012	\$3,062.33
Shower Curtain - Hookless Part: 8213	\$2,952.58
Clock Radio Part: 8039	\$2,305.49
Liner - Hookless Part: 8144	\$2,289.17
Coffee Maker - Cuisinart - Wyn Part: 8050	\$2,213.41
Blanket - King Part: 8010	\$2,085.53
Blanket - Queen Part: 8011	\$1,967.49
Mattress Pad - Queen Part: 8148	\$1,837.77
Mattress Pad - King Part: 8147	\$1,790.91

Proposed Actions

- Vacuums (#1 damage fund item several years running)
 - Investigating options for a different vacuum cleaner
 - Low-cost bag-less
 - Commercial Oreck (same as used for common area)

- Blankets, Shower curtains, mattress pads,
 - Normal wear & tear items

- Clock Radios
 - Investigating lower price option
 - Possibly an option with USB ports for cellphone charging

Rental Balancing – Lucia Homick and Liz Waldvogel

- RENTAL BALANCING - Definition
 - SnapShot 2X a year
 - 6 Month \$ + 12 year Cumulative \$
 - By Regime, By Like Size unit

Rental Balancing

□ Rental Formula

- HO use (\$) + Rental \$ = Total Value
- Total Value - SNMCo 35/40 % = Owner Net Rental
- What impacts rental income?
 - -HO Use
 - -5 Star Plus
 - Opting out of groups and discount programs

Rental Balancing

- + 10% Outliers Characterized by
 - Five Star Plus
 - Lots of HO use
 - Misc @10%

Rental Balancing

- -10% Outliers are Characterized by
 - QHP issues
 - Bed/Room configuration
 - Misc @10%

Insurance – Joe Hester Ingram

2017-18 Program

- Level Premiums – Recent Years
- Good record
- Water leaks & losses - biggest issue
- Homeowner Unit Policy to compliment Master Policy
- See web: <http://www.snha.net/>
- Insurance Program Link on Home Page

Real Estate – Barbara McGee

Date	Unit	Purchase Price	Asking Price	Sales Price over(under) asking	Tax Value	QHP rating	Listing Agent	% incr(dec) btw asking & purchase	avg % diff btw asking & purchase price	% difference btw sales price & tax value	avg annual % diffe btw sales Price & tax value
1/23/2015	H 16	\$ 204,500.00	\$ 222,000.00	\$ (17,500.00)	\$ 224,000.00	5	Betty	-7.88%		-8.71%	
5/8/2015	LS 37	\$ 270,000.00	\$ 285,000.00	\$ (15,000.00)	\$ 227,900.00	5	Betty	-5.26%		18.47%	
9/4/2015	SS 40	\$ 225,000.00	\$ 260,000.00	\$ (35,000.00)	\$ 255,300.00	5	Betty	-13.46%		-11.87%	
10/28/2015	LS 30	\$ 93,500.00	\$ 93,500.00	\$ -	\$ 88,700.00	5	Betty	0.00%		5.41%	
11/13/2015	C 27	\$ 150,000.00	\$ 289,000.00	\$ (139,000.00)	\$ 225,500.00	5	Betty	-48.10%		-33.48%	
									-14.94%		-6.03%
1/11/2016	MV 35	\$ 245,000.00	\$ 325,000.00	\$ (80,000.00)	\$ 262,700.00	5	Homeowner	-24.62%		-6.74%	
2/4/2016	N 20	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 129,400.00	5	FSBO	0.00%		-22.72%	
3/9/2016	TE 05	\$ 278,500.00	\$ 325,000.00	\$ (46,500.00)	\$ 304,300.00	NR	Betty	-14.31%		-8.48%	
3/27/2016	TE 04	\$ 313,900.00	\$ 340,000.00	\$ (26,100.00)	\$ 298,300.00	5+	Betty	-7.68%		5.23%	
4/8/2016	TE 01	\$ 295,000.00	\$ 340,000.00	\$ (45,000.00)	\$ 298,300.00	5	Jane	-13.24%		-1.11%	
6/9/2016	LS 02	\$ 65,000.00	\$ 79,000.00	\$ (14,000.00)	\$ 85,000.00	5+	Jane	-17.72%		-23.53%	
8/8/2016	N 19	\$ 102,000.00	\$ 110,000.00	\$ (8,000.00)	\$ 129,400.00	5	Betty	-7.27%		-21.17%	
9/26/2016	TE 07	\$ 295,000.00	\$ 350,000.00	\$ (55,000.00)	\$ 316,500.00	5	Betty	-15.71%		-6.79%	
10/4/2016	PS 01	\$ 95,000.00	\$ 105,000.00	\$ (10,000.00)	\$ 106,100.00	NR	Betty	-9.52%		-10.46%	
10/5/2016	N 28	\$ 82,000.00	\$ 84,500.00	\$ (2,500.00)	\$ 129,400.00	5	Betty	-2.96%		-36.63%	
12/9/2016	LS 38	\$ 95,000.00	\$ 125,000.00	\$ (30,000.00)	\$ 88,700.00	5	FSBO	-24.00%		7.10%	
									-12.46%		-11.39%
1/29/2017	C 13	\$ 97,500.00	\$ 99,000.00	\$ (1,500.00)	\$ 257,100.00	NR	Betty	-1.52%		-62.08%	
2/3/2017	LS 21	\$ 213,000.00	\$ 220,000.00	\$ (7,000.00)	\$ 217,500.00	5	Betty	-3.18%		-2.07%	
3/24/2017	SS 29	\$ 270,000.00	\$ 290,000.00	\$ (20,000.00)	\$ 268,800.00	5	Betty	-6.90%		0.45%	
4/14/2017	C 15	\$ 168,000.00	\$ 165,000.00	\$ 3,000.00	\$ 257,100.00	NR	Betty	1.82%		-34.66%	
5/29/2017	SS 31	\$ 263,100.00	\$ 263,000.00	\$ 100.00	\$ 255,300.00	5	Betty	0.04%		3.06%	
5/31/2017	R 40	\$ 151,500.00	\$ 165,000.00	\$ (13,500.00)	\$ 171,200.00	NR	Betty	-8.18%		-11.51%	
6/23/2017	N 18	\$ 105,000.00	\$ 110,000.00	\$ (5,000.00)	\$ 129,400.00	5	Betty	-4.55%		-18.86%	
7/13/2017	N 10	\$ 60,000.00	\$ 67,000.00	\$ (7,000.00)	\$ 60,400.00	5		-10.45%		-0.66%	
8/7/2017	MV 34	\$ 265,000.00	\$ 299,900.00	\$ (34,900.00)	\$ 249,200.00	5+	Betty	-11.64%		6.34%	
9/7/2017	ST 02	\$ 90,000.00	\$ 102,700.00	\$ (12,700.00)	\$ 63,200.00	5+		-12.37%		42.41%	
9/29/2017	N 05	\$ 58,500.00	\$ 69,000.00	\$ (10,500.00)	\$ 61,200.00	5		-15.22%		-4.41%	
10/30/2017	MV 07	\$ 120,000.00	\$ 122,900.00	\$ (2,900.00)	\$ 115,000.00	5+	Betty	-2.36%		4.35%	
11/17/2017	SS 25	\$ 270,000.00	\$ 275,000.00	\$ (5,000.00)	\$ 237,600.00	5	Betty	-1.82%		13.64%	
									-5.87%		-4.92%
1/2/2018	ND 27	\$ 87,500.00	\$ 98,500.00	\$ (11,000.00)	\$ 98,900.00	NR	Betty	-11.17%		-11.53%	
1/4/2018	LS 23	\$ 83,500.00	\$ 87,900.00	\$ (4,400.00)	\$ 74,000.00	5	Betty	-5.01%		12.84%	
1/5/2018	RS 43	\$ 169,000.00	\$ 174,000.00	\$ (5,000.00)	\$ 167,500.00	NR	Susi	-2.87%		0.90%	
3/23/2018	H 10	\$ 58,500.00	\$ 65,000.00	\$ (6,500.00)	\$ 69,900.00	5	Betty	-10.00%		-16.31%	
4/6/2018	LS 58	\$ 79,500.00	\$ 84,500.00	\$ (5,000.00)	\$ 73,700.00	5	Betty	-5.92%		7.87%	
5/1/2018	N 01	\$ 60,500.00	\$ 67,500.00	\$ (7,000.00)	\$ 60,400.00	5	Betty	-10.37%		0.17%	
5/11/2018	PS 03	\$ 75,000.00	\$ 79,000.00	\$ (4,000.00)	\$ 87,900.00	5	Andrew	-5.06%		-14.68%	
5/15/2018	N 14	\$ 64,250.00	\$ 69,000.00	\$ (4,750.00)	\$ 61,200.00	5	Betty	-6.88%		4.98%	
5/15/2018	N 12	\$ 50,000.00	\$ 55,000.00	\$ (5,000.00)	\$ 60,400.00	NR	Betty	-9.09%		-17.22%	
5/16/2018	H 18	\$ 67,000.00	\$ 67,000.00	\$ -	\$ 68,400.00	5	Pallas	0.00%		-2.05%	
5/22/2018	N 30	\$ 112,500.00	\$ 130,000.00	\$ (17,500.00)	\$ 101,700.00	5	Betty	-13.46%		10.62%	
6/25/2018	MV 25&25A	\$ 250,000.00	\$ 285,000.00	\$ (35,000.00)	\$ 249,200.00	5	Betty	-12.28%		0.32%	
									-7.68%		-2.01%

Real Estate

□ Summary

Year	Number	Over/Under % Sale Price to Asking Price	Over/Under % Sale Price to Tax Value
2015	5	-14.94%	-6.03%
2016	11	-12.46%	-11.39%
2017	13	-5.87%	-4.92%
2018	12	-7.68%	-2.01%

Technology – Kevin Rohrbacher and Lisa Howe

Smugglers' Notch Fiber Optics Plan / Schedule

Objective:

- Smuggs intention is to run Fiber Optics throughout the Resort. We are setting this installation up in phases. We are starting in areas of the Resort that we can immediately receive recognition and user ability. Different phases will occur and costs. At this time I haven't attached a dollar amount. Phases are as such:

- **Phase 1** – Run the fiber optic up the Village Lift slope to the Wire Road. From the Wire Road we are running the fiber optic up to Aspens / Day Lodge. Then tie in TE 26/27 and TE 27/28 and the 4 Highland Buildings.

- **Phase 2** - Mt Laurels, TE's 1 through TE 25 including Willows 1, 2, 3 and 4.

- **Phase 3** – Lower Village to include Villmark, Birches, Hakone, Slopeside, Liftside, Mountainview, Riverside, Pines and Maples.

- **Phase 4** – The Island to include Poolside, Balsams, Commons, Telemark, Creekside and Sterling.

- **Phase 5** – Commercials and Evergreens (this Phase may be moved up in priority due to initial run in the Fiber – TBD).

RCI PROGRAM – Michele Cloke – Eydie and Pete Dloss

- RCI – A company that will inventory your deposited weeks for exchange weeks at other resorts around the world.
 - Join RCI – modest membership fee
 - Bank Weeks – many off season weeks at Smugglers have good trading value – Avoid banking blocked Smugglers' Maintenance week
 - Contact RCI and select Resort you wish to visit – submit request to RCI. Flexibility in vacation dates maximizes opportunities.
 - Modest guest certificate and housekeeping charges
 - RCI Points program also available – expands use to services other than guest accommodations.
 - Pick up Pete and Eydie Dloss Letter at SNHA desk
 - Contact Laurie Thorpe at 802-644-1130 or email lsamal@smuggs.com for more details on all RCI Opportunities.

Recreational Access and Common area Fees

- Last year the negotiating process with the resort did not yield any results
 - It became apparent in the discussion that the broader unresolved issues surrounding:
 - what is common land,
 - what is the cost to maintain common land,
 - how is access to use common land defined, and
 - the use of facilities located on common land
-all needs to be resolved.

Recreational Access and Common area Fees

- At SNHA Annual Meeting 2017 - We agreed to hire counsel to review merits of recreational access and common area fees complaint.
- We hired Sheehey Furlong & Behm, Burlington VT
 - Vermont based
 - Proven litigator
 - Experienced in VT Real estate and condominium law

Recreational Access and Common area Fees

- ❑ In 2008 the resort cancelled contracts (1985 club agreement) that were in place. New agreements left multiple open issues.
- ❑ The resort does not recognize deeded rights based on ownership vs rental status
- ❑ The village fee disproportionately favors the resort and has been in dispute for years without full transparency of expenses charged to maintain common areas. There is a current litigation between the White family and the resort regarding village fees in which the court has issued rulings.

Recreational Access and Common area Fees

- White Cases Status, Village Fee Suit
 - The Resort sued the White family for underpayment of common area fees (2013)
 - Whites counterclaimed with class action claim that Village Fee is calculated by resort unlawfully
 - Judge Carlson certified the class in 2017, Class not yet notified
 - Murphy Sullivan & Kronk, White family attorney representing the entire class (Full, Equishare and Timeshare owners)

Recreational Access and Common area Fees

- White Cases Status, Village Fee Suit
 - January 2016, Judge Pearson declared that the apportioning based on the Grand Values (real estate assessments.) bears no discernable relationship to the parties benefits of the common services provided
 - December 2017 - mediation led to tentative agreement between class counsel and resort to be proposed to class members

Recreational Access and Common area Fees

- White Cases Status, Village Fee Suit
 - Tentative settlement did not address perpetuity nor transparency of fees or fairness of allocation, and
 - Because a dispute arose between class counsel and the resort they return to mediation in August

VILLAGE FEES-COMMON SERVICES

PROVIDED OUTSIDE THE DEEDED FOOTPRINT OF THE HOMES

- * SNOW REMOVAL
- * ROAD MAINTENANCE AND REPAIR
- * COMMONLY USED LANDS
- * LAWN AND GARDEN CARE
- * COMMON AREA TRASH
- * STORM WATER MAINTENANCE AND REPAIR
- * SECURITY, SAFETY

PAYROLL, EQUIPMENT, SUPPLIES FOR THE ABOVE

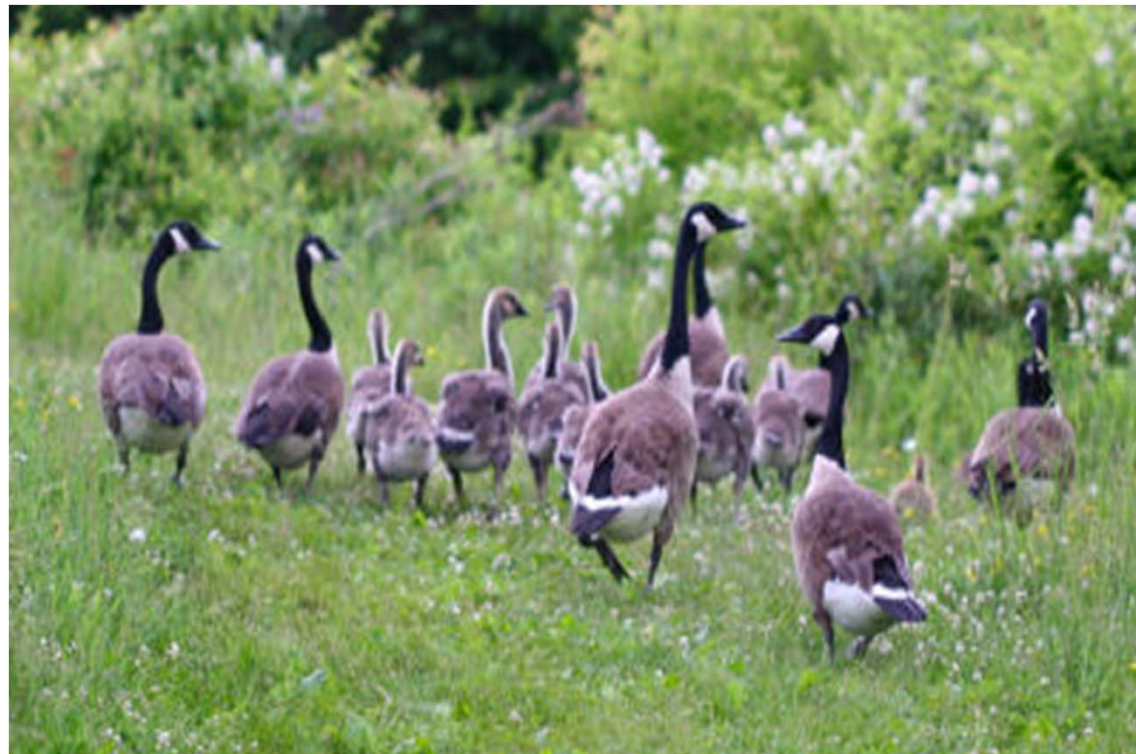
- * From Bill Stritzler 2013 presentation

SUMMARY

* START	\$3,074M
* AFTER SMUGGLERS' EXCLUSIVE	\$ 1,727M
* AFTER PROPERTY MANAGEMENT	\$ 856M
* AFTER SMUGGLERS' GRAND LIST	\$ 763M
* AFTER CLUB OWNERS	\$ 344M
* AFTER FINAL DISTRIBUTION	\$ 1,200

From Bill Stritzler Presentation

NO MORE POOP!



Recreational Access and Common area Fees

Next Steps

- SNHA counsel is seeking participation by SNHA in August mediation in White case
- Because White litigation does not address recreational access and talks with resort have not been productive, SNHA anticipates filing suit against the resort
- The suit will also address village/common area fees

Agenda continued

Nominating committee report – report and election of 4 directors

There are four board positions with terms ending at this meeting:

Jay Kahn – PS 10

Lonny Gee MV 32

Bob Oehrlein C 25

Mike Rembish MV 02

Lonny is stepping down after many years of service. The other directors listed above have agreed to be nominated and if elected to serve terms to end 2021. The Board has endorsed their nominations and are placing their names on the slate for consideration at this meeting.

Options:

1. Authorize the Board to interview interested candidates to fill the seat vacated by Lonny and appoint a director after the meeting.
2. Receive nominations from the floor and vote.

Meeting Wrap – Jay Kahn

- ❑ Summary
- ❑ Other business
- ❑ Reminder of BBQ – Picnic Saturday July 7th at 5:00 PM at tent near Morse Mt Lift.
- ❑ Adjourn Meeting
- ❑ Lunch provided by Smugglers Notch Resort with presentation by Smugglers' Staff

Thank You for Attending

...and for your continuing support of the
Smugglers' Notch Homeowners' Association, Inc.

