

Smugglers' Notch Homeowners' Association, Inc.'
Annual Meeting
Stowe Flake Inn
Stowe, Vt
Minutes
July 5, 2008

Check in at the registration table resulted in a quorum of members present greater than 25% of the total membership eligible to attend and vote. A complete attendance list is on file with the minutes in the SNHA Office.

Call to Order President Gerry Sunderland called the Annual meeting to order at 1:15pm.

Opening remarks and introductions by Gerry Sunderland followed.

Minutes from 2007 Annual Meeting – A motion was made by Florrie Paige, seconded by Lonny Gee to approve the minutes as distributed. The motion was approved by a show of hands from the majority of the voting members present.

Membership support of the Board - Claire Franklin read the following resolution to those present:

“Resolved

We the undersigned members of Smugglers' Notch Homeowners' Association, Inc.

(SNHA), hereby endorse and support the efforts of our Board of Directors in their present effort to negotiate a fair and reasonable contract with Smugglers' Notch Management Company (SNMC) Ltd. and urge SNMC to continue to engage SNHA in good faith negotiations.”

The copy was circulated and Homeowners representing 96 full ownership homes at Smugglers' signed this document.

Annual Report -2007-08 - Gerry Sunderland thanked all the contributors who wrote articles for the Annual Report and advised homeowners to read the Annual Report cover to cover.

Real Estate Awards - Herb Lewis presented Real Estate awards to Jodie Peck, Smugglers' Real Estate Staff for selling the most full ownership homes in 2007 and to Brenda Lequer for reselling the most family share units in 2007.

Family Share members withdraw from SNHA Gerry Sunderland announced that he had received notification that as May 31, 2008, that a group of Family Share homeowners would be forming their own homeowner's organization to focus on their specific needs.

Board Elections – Lonny Gee and Herb Lewis, nominating committee.

The Board of Directors was established with 12 directors and was increased by amendment of the homeowners to 15 directors several years ago to accommodate the addition of representatives from Family Share homes. Since Family Share homeowners have recently withdrawn their membership in SNHA, Gerry reported that several people had proposed that the Bylaws be amended for the Board to consist of 11 members.

A motion was made by Steve Hoey and seconded by Craig Greene to have Michael Russell, lawyer for SNHA draft the motion for the membership present to consider an amendment to the Bylaws to set the number of Board members at 11. The homeowners agreed by a show of hands. A short recess was taken.

Meeting reconvened and Michael Russell read the following motion: “Resolved, that Article V Section 2, of the By-laws of the Smugglers' Notch Homeowners' Association, Inc. is hereby amended by replacing it in its entirety with a new section to read as follows: The Board shall consist of eleven (11) directors, to be elected by the membership entitled to vote, up to four of whom shall be elected in each of the first two years of a three year cycle and up to three of whom shall be elected in the third year of that three year cycle, to take office following these elections and to serve for a term of three years or until his or her successor shall be duly elected or appointed and shall qualify.”

Steve Hoey moved and Craig Greene seconded the motion as read. Discussion followed, the question was called, and amendment passed as read with a show of hands of a majority of those present.

The Nominating Committee reported nominations for Board of Directors from their committee are Gerry Sunderland of RS 58 and Kevin Rohrbacher of LS 53 to serve a term to end in 2011. David Tagieff of MV 25A was nominated from the floor.

Prior to voting each candidate made comments to the assembly.

Each home used ½ half of their voting card to write two names to be elected to the Board of Directors. The votes were counted by Kimberly Hubbard and Lisa Cook. Kostas Siskidis and Maura Rutkin monitored the vote count.

The results of the vote:

128 votes cast

David Tagieff 29

Gerry Sunderland 119

Gerry and Kevin were elected. They accepted the election.

Homeowners' wishing to be an Associate Directors should speak with a Board Member.

SNHA Financial Report and Budget - Herb Lewis, SNHA Treasurer presented a proposed budget and dues for 2009. He reviewed the audit and advised all to read the annual audit of Smugglers' Notch Homeowners' Association, Inc. for 2008 financial reports.

A proposal that 2009 dues be increased to 470.00 per year to cover this next year.

John Stewart made motion to approve dues increase from 345.00 to 470.00 seconded by Ernst Jacobsen. The motion was approved by a show of hands of the majority of those voting members present. A suggestion was made from the floor that legal fees be broken out in annual report.

Other Business

John Mooney announced that Sara Lloyd Truax, owner of Telemark 02 asked him to make a motion to be considered by the membership present.

John moved that "This terms of the motion will take effect only upon the agreement of Bill Stritzler in both his capacity as homeowner, and as the representative of Smuggs management, which will be referred to in this motion as the Resort.

The Resort's agreement to the terms of this motion must be made within 72 hours and followed by written agreement within seven business days, or the terms of the motion become null.

The terms of the motion become effective immediately upon Bill Stritzler's consent.

All negotiations of the contract are to immediately cease for a three month cooling off period. During this three-month period, both sides are to begin looking for an independent negotiator.

The negotiator will not have the power to bind either party, with one small exception to be detailed in a moment.

Each side will submit the names of up to three independent negotiators who have no current or former business or professional relationships with either the Resort or any homeowner currently serving on the Board. Names will be presented by one party to the other party when chosen, or at the end of the three-month period. If both parties present the same name, that person will be hired to facilitate all further negotiations. If parties do not agree on any one person, the names of all six nominees will be placed in a paper bag, and a random person is to be asked to draw a name, and that person or firm will be hired.

In the event a negotiator is chosen before the end of three month cooling off period, the cooling off period can be suspended if both sides agree.

The Resort must agree that the present contract, in its present form, continues for an additional 6 months, as if 2008 was comprised of eighteen months instead of twelve.

If the Mediator determines that any person or persons on either the Resort's or the Homeowner's negotiating team proves to be a deterrent to the negotiating process for any reason, the Mediator will first privately ask such person to withdraw. If the person fails to withdraw, the Mediator shall inform the parties, and that person or persons shall be replaced.

The Board can replace its representative either by appointment or by an e-mail vote of the members. Notice that such a vote may take place, and the need for the immediacy thereof, shall be satisfied by having produced the minutes of this meeting, including this motion, in the normal course of business. No further notice is necessary if the Board chooses to have the individual homeowners vote on a replacement member, the appointment shall be by simple majority.

No prior member of the negotiating team for either party may be reappointed to that role.

The cost of the negotiator shall be shared equally by both parties unless the Mediator determines that one party has failed to negotiate in good faith. If such a finding is made, the party who has failed to negotiate shall be responsible for seventy five percent of the costs. The Mediator's determination is final and binding and not appealable.

The purpose of this motion and of hiring a Mediator, is to resolve the issues between the parties and to come to agreement on a new contract as soon as possible. Both sides must acknowledge that they will not receive a contract with all of the terms that they deserve.

David Tagieff seconded the motion.

Discussion followed. The question was called.

The motion was defeated with a show of hands of the majority of the voting members present.

John Stewart motioned to adjourn the meeting, seconded by Steve Hoey.

Meeting adjourned at 2:52 pm

Respectfully submitted,

Eric Kotch, Secretary