

**Masthope Mountain Community
Board of Directors Meeting
June 20, 2020**

Transcriber: Kelli Myers
Teleconference

8:33 AM Meeting called to order.

Roll Call: Present Gerhard Buhler, June Murphy Carrozza, Bruno de Vinck, Anthony Falcone, Jim Fox, Herman Matfes, Ed McClary, Foster McCoy, Maria Porter, Eugene Principe and Peter Torchio.

Bruno asked for the approval of the agenda. Bruno added the memorialization of the motions for the pool and beach rules. June added the motion for new members to the Strategic Planning Committee. Gerhard asked if we were doing committee reports. Bruno answered that they would hear from any chair that is on the teleconference. Gerhard added that he has two requests for the board from the Document Review Committee.

Agenda approved unanimously.

Treasurer's Report- for period ending May 31, 2020-Gerhard Buhler-see attached.

Treasurer's Report was approved unanimously.

Correspondence Report-see attached.

Manager's Report-Randy Schmalzle-The County went into the green phase. This allows outdoor gatherings of up to 250 people. Indoor dining can begin with 50% capacity. Social distancing is still required. We have made some changes in the lodge to accommodate our membership. There are new staff members in place. We have changed some of our operations due to COVID-19. We have and continue to monitor the numbers at the pool and the beach. We have reached capacity on some days. We will adjust this when we are able. In the surrounding area, you will see stores beginning to open. Masks are still strongly recommended. There is a lawsuit against Governor Wolf from state legislatures. No changes to the restrictions are anticipated any time soon. The Secretary of Health has been the one to place the more stringent restrictions into action. Our office is open. We are allowing one party in at one time. Please call ahead. Marketplace is open with a four-person limit at a time in the market. Summer staff is in place. Lifeguard training will be taking place. Red Cross did issue extensions on the certifications that were to expire this season. We do require that masks be worn when you are in contact with staff. The Board does put out updates to the community on a regular basis. There was some confusion about the funding of the proposed pool project. He explained that the current loan would be refinanced, and this would decrease the payment amount, but it extends the life of the loan. Aqua reached out to management asking about the large increase in water usage in the community. The community is not at risk of running out of water. We are just asking that you try to conserve some water usage. Anthony Falcone asked if we hit capacity at the pool or beach. Randy answered yes, we have reached capacity at both

locations on a couple of days. Randy addressed Masthope Plank Road. The state is out of money for road projects due to COVID-19. Ron Schmalzle is currently working with local PennDot Office. He is pushing for them to do this themselves. They have done some patching on the roadway. Scenic Drive has been paved. That is a township road.

Bruno asks for the approval of the May 23rd, 2020 Meeting Minutes. The Minutes were approved unanimously.

President's Report-June Carrozza-see attached.

Bruno commends the Board for their continued hard work.

Bruno asks if there are any committee reports. He acknowledges that due to COVID-19 most committees have not been meeting.

Document Review Committee-Gerhard Buhler-He explains that DRC has been meeting virtually over the last two months. They have directed their attention to the Property Owners Handbook/Rules and Regulations. He explains that it has become an unyielding document. The Committee would like to separate this document into two different ones. One being rules and regulations and one being a handbook for homeowners. The handbook would be information about the community and resources for the owners. The rules and regulations would be just that and a fee schedule. Bruno asked for questions. Anthony asked where would fee schedule be located? Gerhard stated that it would be on the website. He reminded the Board that the Technology Committee volunteered to look at website and update it. Herman added that he liked the idea of separation of the document. Eugene asked if he was going to rewrite the rules and regulations or simplify them. Gerhard explained that there is no reason to rewrite the rules unless the Board saw a reason for a rewrite.

Strategic Planning Committee-June Carrozza stated that Robin will have a report for the next board meeting. The Committee will be adding two new members.

Audit Committee-June spoke with Joanne and she will also have a report for next board meeting.

Gerhard wanted to clarify that the Board gave a mandate to DRC to pursue separating the current Handbook/Rules and Regulations into two separate documents. The Board agreed.

Technology Committee-Herman stated the teleconference meetings are a result that came out of the Technology Committee. They ran the Meet The Candidates townhall meeting. He applauds Tom Brown for his help and support with these meetings. The committee has been looking into a new pass system for the community. They are continually working on technology upgrades.

Bruno asks if there is anything further on the committee reports. No response.

Old Business:

June explains the July election for the board is coming up. The mailing has gone out to the membership for the July meeting. The Meet The Candidates meeting went well. We hope that we can have the July meeting in person.

New scanner system-June stated we have money in the reserve for the scanners. She asked what is the timeline that we can expect. There will be a heavy workload for the office once the new scanners are in place. Every homeowner will need to get new picture passes done. Herman explains that will have to be a staggered process to be completed diligently. The new system the committee is looking into has RFID capabilities, optical capabilities, it could also at some point in the future facilitate purchases throughout the community. The capabilities will be added over time. June asks if the committee knows what system will be purchased or do they need to do further work. He answered that the committee is satisfied with the current company. The functionality of the system will be added in time. Gerhard asked is there any reason why the board cannot vote to proceed with the purchase of the system. Randy answered that they received the final proposal from Axess. Total cost is \$51,056 that does not include the \$4,000 annual fee or software integration. Randy continued that he reached out to the company to see about compatibility with Ski's software. He would like to hold off from voting until he gets his answers from the company. Herman agreed. Bruno asked about how long would we need to run parallel systems until we are completely changed over to the new system. Randy stated 6-8 months likely. Bruno added that this will be a significant workload increase for the office. Anthony asked if the cost of new passes will be billed to the owners. Randy answered that the cards will not be an additional charge to the homeowners.

Pool expansion-Randy explained that they are working with outside vendors and engineers. Pool contractor was on site with management. The proposal is on target. A conversation will have to take place with the Liquor Control Board to expand our area. They met with an electrician on site. Equipment will have to be moved around. They also met with an excavating company as well. Hopefully once this is approved, we can begin this project in the fall. June asks about a visual for this project. Randy answered that he does not have a picture, but he can show some conceptual pictures on line this week. Anthony pointed out that for the pool to go forward, you must vote. The last pool proposal failed to get approved. Bruno repeated that this project will be a reduction in dues payment amounts. Maria asked what the size of the proposed new pool is. Randy stated similar in size to the current pool but will be swim team standard length. The new pool would have a handicap accessible ramp leading into the pool. Splash pad would be 1500-3000 square feet. The splash pads are geared to small children. There is zero depth so there is no standing water and it does not require a lifeguard.

Rental Policy-Gerhard explained some homeowners submitted a redline version of the proposal back to the board addressing their concerns. The committee has worked on the rental proposal from November 2019-May 2020. They published an FAQ sheet. See attached. There was a very active townhall that took place regarding the proposal. Gerhard points out that there has been a significant increase in short term rentals over the past two years. Discussion continued between board members. There was concern that not all concerns are being addressed. June explained that she compiled all emails that she received and created a spreadsheet for the board that listed everyone's concerns. It was decided that the board would hold a public work session discussing the proposal and members concerns. The meeting will be Saturday, June 27th at 9am in the Property Owners Lounge. June reiterated that the board members need to come to the meeting prepared with their questions and concerns.

Bruno explained that there are electronic motions that need to be ratified. Anthony reads the motions.

MOTION 01:06:20:20

Whereas there is a need to have a one-time alternate voting plans for the July 11, 2020 GMM.

Whereas the impacts of the ongoing COVID-19 pandemic may reduce the number of property owners attending the meeting in person and or limited seating due to social distancing requirements from State & Local government agencies, including CDC guidelines

Whereas there will be two alternate voting methods available on July 11, 2020 post the presentation and question period on those items being voted on.

Therefore, be it resolved that the Masthope Mountain Community Board of Directors approves the one-time additional voting plans for July 11, 2020 GMM due to Covid-19 pandemic and the ever-changing recommendations by Federal and State agencies. The board of directors, upon advice of counsel and Auditor, has approved the acceptance of proxy ballots or email proxy ballots on the day of the July 11, 2020 GMM up to 1/2 hour when Chairman states, "voting has commenced".

1) Email your completed double-sided proxy to election@wococpa.com
or

2) Complete your double-sided proxy, place in a sealed envelope with your printed property owners name and lot number on the front of envelope. Delivered to the secured mailbox in front of the POC office, up to ½ hour post announcement that voting has commenced by Chairman. Upon validation, the sealed envelope will be delivered to the representative of the accounting firm for tabulation.

Any proxy delivered after the ½ hour has passed will not be counted.

FIRST: JUNE CARROZZA

SECOND: ANTHONY FALCONE

MOTION PASSES: FOR 11, AGAINST 0

MOTION 02:06:20:20

Whereas, Masthope's Board of Directors has approved a Community vote to approve the restructuring of existing community loans and to finance work on expansion of the pool complex, to include a new pool, a water slide, child play/splash pad, restrooms with the pool complex, expanded seating, a service bar, and upgraded mechanicals

Therefore, be it resolved that the Masthope Mountain Community Board of Directors approves to send to the membership to vote to authorize the restructuring of loans and financing of the pool complex expansion. The motion to be approved shall read:

"Therefore, I approve as indicated on the Official Directed Proxy and Ballot, of the restructuring of the existing Ski loan, Lodge loan, and Beach House/Riverpark loan plus the additional financing of the expansion of the pool complex as described above. The total amount of the new and restructured loan would be in the amount of not more than \$2,500,000, for a term not less than 10 years, and an interest rate not to exceed 5% per annum. The annual cost including costs for the loan repayment, capital reserves, and estimated maintenance expenses will not exceed \$265 for a single lot."

FIRST: GERHARD BUHLER
SECOND: JUNE CARROZZA
MOTION PASSES: FOR 11, AGAINST 0

MOTION 03:06:20:20

Whereas: Capital assets have been identified for replacement as part of the annual budget process. Whereas a previous motion dated April 25, 2020 authorized such purchase of an RTV for the stables, not to exceed \$12,000 must now be amended to authorize the purchase not exceed a cost of \$14,000.

Therefore, be it resolved that the Masthope Mountain Community Board of Directors approves the amendment of the aforementioned motion to authorize the purchase of said RTV not to exceed \$14,000.

FIRST: JUNE CARROZZA
SECOND: ANTHONY FALCONE
MOTION PASSES: FOR 11, AGAINST 0

Bruno asks June to read the motion for the new members of the Strategic Planning Committee. The motion was tabled after further discussion.

Property Owners' Time:

Christine Brown 701CM-She asks why there is not a pool committee. She feels that it would be in the best interest of the community to have multiple people involved in the pool project. June explained that the Strategic Planning Committee was involved back in 2013. Randy explained that he has been involved looking into a new pool, splash pad, etc. for over ten years. They have turned this into one large project rather than multiple small projects. Management has taken feedback from the board and other members on the project. Anthony added that he feels that Recreation Management has an exceptionally good handle on the project at hand.

Lisa Schenkel 64MR-She stated that the rules and Bylaws are not up to date. She feels that there was deception and false pretenses in place when some purchased their homes. Gerhard asked her to repeat the question and added that he did not mention the Bylaws at all. She purchased her home in 2019 with the intention of renting. She continued that renters are a very hot topic for the community. It was stated that if you needed to rent your home to cover the mortgage that you should not have purchased it. She stated that she does need to rent to help with the mortgage. Has the board considered that there could be legal ramifications with these proposed rule changes? June reminded Lisa that there is a board work session on the rental topic next week. She also explained the hierarchy of Masthope's governing documents and how the documents evolve. Gerhard added that the rules and regulations are decided by the board of directors, bylaws are the membership vote of 2/3 of a quorum at a GMM, covenants are 2/3 vote by all members. He continued that it was not stated that the documents are not current.

Lorretta Fonseca 1088FW-The May 23rd policy was not put out until after the meeting. She appreciates the work the HWR put into the red-line document. She would like the board to address family using/sharing her home. Gerhard stated earlier that there was a significant increase in houses renting more than twelve times. She continued that she must list her family as renters, so this number is quickly reached and there is no monetary gain for her. She is sharing her home with family. How far in advance could this policy go into place? June explains that once she is sent correspondence, she sends to the rest of the board and/or any committee that would be involved.

Melissa Altholtz 218MR-They occasionally rent their home. There are concerns from both sides. It appears to Melissa and her husband that there is a rush to pass this rental policy. It cannot be implemented this summer due to COVID-19. Why aren't they sending out surveys to membership to get more insight? June responded that they have not been rushing. This has been in discussion for quite a long time. Gerhard added that this process began in August of 2019. There were many advertisements asking for volunteers for the Pass Policy/Rental Committee. The formal Committee began in November. They had been working through May 2020. The committee created a policy to put before the board. Getting a policy passed by the board does not mean that it will go into effect immediately. Anthony added that he feels that it does not appear that the board is rushing this to go through especially when they scheduled another work session to discuss the proposal. Herman agreed.

Rose Perrotti 164RF-She was the chair of the Strategic Planning Committee for many years. The committee would always invite interested potential members to a meeting with their bio and then the committee would recommend to the board if the member should join the committee. She is curious why is the chair not getting the opportunity to do this? Rose addressed the red lined correspondence acknowledgement and the inequity of not addressing the other correspondences that were received. June responded that she went to the bylaws to see what the guidelines pertaining to Strategic Planning Committee members. There were no specific requirements. She was not aware that they did any interview process. She forwarded Robin (current chair) the potential members information and Robin responded that this was fine. She did not say that she needed to interview them.

[Note: Meeting recording cut out at xx:xx am, Connected back at 10:21am.]

James Muirhead 889MR-Regarding the structure of the rental committee, he feels that someone should have been representing homeowners who actively rents. Gerhard answered that there were three members on the committee that had rental experience. Gerhard reiterated that there were many advertisements for members to join however little interest was shown in joining. There were a wide range of views represented from the ones that did volunteer.

Louis Bell 347FW-Have you reviewed other communities' rental policies and are you bringing our policy more in line with others? June answered yes that is correct.

Steven Smrek 289MR-He is not in favor of the proposed changes. He feels that it is being rushed through. Information was provided in a lengthy document in March. He suggests dissecting the document paragraph by paragraph, get feedback and vote on individual items. June answered that the committee worked extremely hard. Gerhard answered that the policy needs to hang together. Going paragraph by paragraph could cause inconsistencies in the

document. The committee did due diligence working on individual items and then brought it all together as a whole.

Jerry Ferraiuolo 861RF-Regarding the pool proposal, he is asking if it would be possible to have a retractable cover? It would save on cleaning, chemicals, and heating. Randy stated that they have looked at that in prior years. To do that now, they would have to start the process all over.

Vickie Graziano 349MR-She feels that all correspondence that is received should be reviewed not just the red-lined correspondence. She doesn't understand why this piece would get so much attention. There was a townhall on this proposed policy this gave members an opportunity to give feedback. The board is accused at times for taking too long to make a decision. June answered that many of the correspondence was repetitious. Each piece was given to the committee for review. Gerhard created the FAQ based on all of the correspondence.

Melissa Altholtz 218MR-She is not negating the committee's and the board's time and work regarding the proposal. She feels that the committee needs to review the new feedback that has been given and do another FAQ for all to review. Gerhard answered that counsel's guidance is the community is governed by the declaration and bylaws. The board decides on the day to day rules and operations. There was a lot of engagement on the policy.

Rose Perrotti 164RF-Asks if operational and capital expenses would be covered by the 10-year loan. She also asked for information regarding the old pool equipment that is included in this proposal. Randy answered that the operational expenses would be in dues. The capital is financed. The change to the old pool equipment is that it needs to be moved and upgraded. Gerhard further explained that operational is not financed it is budgeted annually. Capital is longer term commitments that is voted on by the community.

Lorretta Fonseca 1088FW-She appreciates the hard work from the committee. She feels that a mailing should be sent to homeowners regarding the proposed policy. Homeowners would be able to see how the policy could affect them. June responded that all information is located on the Masthope Website. A letter would just recommend the membership to look at the policy. It is difficult to get members to read documents.

Michael O'Connor 272MR-He witnessed that the beach had only 15-20 people on a few days. Do you have counts for all the days? Randy stated that yes, we do have counts. There have been days where we hit maximum capacity.

Tom Brown 701CM-He was on the rental committee. He wanted to let HWR know that their correspondence was gone over by the committee. He wanted to let members know that membership is not transferrable just like at other clubs. Letting family use your home does not entitle them to owners' membership and rights. He added that there are currently 100 active rentals in the community.

Joe Bert 300FW-Where could the membership view the red-lined document? June answered that it is not a public document. It was addressed to the board and committee.

Rose Perrotti 164RF-She is still unclear about finances for the pool. She does not see the operational estimated expenses for pool proposal. Gerhard explained that it is published on

the website. Randy responded that there is an Excel spreadsheet online. The operational expense is \$34.72 per lot and the capital reserve is \$18.63.

Joyce Pace 528MR-Regarding the Strategic Planning Committee and the potential new members, why aren't they given the opportunity to meet the individuals prior to joining. June responded that this can be discussed with the board and it could be tabled. She was not aware of this committee meeting with potential members first. You should never discourage or turn away a volunteer.

Kimber Malinowski 1059FW-Asks for the numbers for outdoor gatherings in green phase. Randy answered that 250 is the number for green phase.

Tom Brown 701CM-Reoccurring themes in the opposition of the policy are the costs. There are some houses that rent as if it was a business. Can the committee separate the policy from the fees? Gerhard answered yes, it is possible to separate fees from policy, but it should be addressed together. Herman would also like to see the fees and policy separated.

June asks the board if the Strategic Planning Committee Member motion should be tabled. Maria feels that it should be tabled. Discussion continued. Motion was tabled.

Gerhard addressed that the Summit needs another Point of Sale System to allow distancing. Randy further explained the need and convenience of another system. It costs approximately \$5,500 and it would need to come from board capital contingency. Randy will send out proposal to board and do an electronic motion on it.

Bruno asks if we will be going into executive session. Randy answered no that is not necessary.

Anthony asks is this Peter's last meeting. Yes, it is. Bruno thanks Peter for his years of service on the board. He was on the board for nine years.

Herman stated that there were 63 members on the call. He also thanks Peter for his hard work on the board.

Bruno continued that Peter volunteers at all the barbecues and we hope to continue to see him volunteer.

Meeting adjourned 11:05am.

Treasurer's Report for Period Ending May 31, 2020

Unaudited

Collections - YTD

	May 19	Apr 20	May 20
Total	2038	2034	2034
Billable	1718	1714	1714
Paid in Full	1334	1624	1260
Percent	77.6%	94.7%	73.5%
Outstanding - Lots	384	90	454
Outstanding - Dues	\$645,063	\$162,450	\$812,957
Total Bad Debt Lots	31	31	31

Unrestricted Income and Expense - YTD

	May 19 YTD	Apr 20 YTD	May 20 YTD
Revenues to date	\$2,143,612	\$2,925,353	\$2,043,361
Expenses to date	\$221,324	\$2,786,547	\$143,115
Net Surplus (deficit)	\$1,922,288	\$138,806	\$1,900,246
Margin (Net/Revenue)	89.7%	4.7%	93.0%

The Summit - YTD

Revenues to date	\$98,030	\$1,745,952	\$38,883
Expenses to date	\$154,760	\$1,648,169	\$37,899
Net Surplus (deficit)	(\$56,730)	\$97,783	\$984
Inventory	\$48,928	\$35,350	\$28,074

The Market Place - YTD

Revenues to date	\$42,627	\$505,543	\$25,086
Expenses to date	\$55,499	\$532,067	\$23,068
Net Surplus (deficit)	(\$12,871)	(\$26,524)	\$2,018
Inventory	\$28,682	\$12,029	\$11,217

Summit/Market Net Surplus (Deficit)

	(\$69,602)	\$71,259	\$3,002
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President Correspondences

In the last month there were 167 correspondences. I have taken the comments and suggestions and forwarded them to the board prior to today's discussion.

Misc: Two correspondences came from owners wanting to join committees, another one to join the Masthope shout out. Another email requested committee meetings location be changed from the office, due to space restrictions. One was a follow-up on a mailbox. From the rumor mill and social media came three emails accusing board members and committee members as receiving monetary gains. All board and committee member receive a thank you dinner for all their hard work, normally in April, at the end of our fiscal year. This year, due to the COVID-19 situation, we have not been able to thank our many volunteers in that way.

Rentals: Many emails focused on the new proposed rental policy. All responses except one were in favor of having rentals in our community. Some felt the new proposed policy should stand as-is, while others were concerned with the fee structure, timing and privacy issues. Many agreed on the need to update our existing policy. One homeowner was upset about the anti-renter rhetoric on social media. Three had confusion on difference between friends using their house vs. renters; both are the same according to our present policy. Two owners were angry when they received mail to their primary home from HWR. Masthope policy does not share owner's information, and no address list was provided by the office.

Pool: Eight property owners are excited for the proposed pool expansion. Suggestions varied from a 2-2.5 million dollar budget, to incorporating smart technology at pool and beach gates, and a deep enough area for a swim team, including a 3-4 large spiral slides. Three wanted indoor pools, or for us to reach out to Fawn Lake/Woodloch for package to use theirs. A couple of emails suggesting merchandise being sold in different locations, vending machines in rental shop, pizza ovens at beach, and to store our own wine at the summit with corking and storing fees.

Lake: Three homes were against the float size limitation at the lake. In the past, they have enjoyed the lily pad and the island at the lake, but the hard disk was more of an issue. Another felt 4x8 ft matt was too big. Also tents and sun shields limit areas for other to sit at lake.

Teleconference: Ten emails stressed how they enjoy having teleconferences and would like them to continue when we go back to in-person board meetings. The Board had agreed to teleconferences only due to the pandemic situation, since our current technology does not allow properly authenticating participants. Property owners did express issues with sound quality and the limit on questions. We had some complaints about the order of the queue during Q&A, with some people saying certain callers were selected multiple times before they were selected. This is another technology shortcoming we will need to address.

Health and safety management: Eight cited the board was doing a great job looking out for the health and welfare of the community. One person was not happy with the closure of amenities or the way decisions were made. Nineteen property owners felt strongly about limiting usage to the pool and lake this summer due to covid-19, and thanked the board for making a hard decision. Several had suggestions on how to handle the number of owners attending amenities during the green phase. One would like more restrictions regarding renters in the fitness and stable areas during the pandemic. There were questions about the green phase, how to get proposals on the agenda and how to vote on the new proposed declaration. In the end everyone thanked the board for the decisive handling of issues during the pandemic.

President Report

I would like to thank the board, management, staff and homeowners for their hard work and patience. During these challenging times the board of directors has had to make major decisions for the Health, Welfare and Safety of all our staff and property owners. As we progress to the green phase more areas will be open, limited to 250 people in some areas. Monitoring of social distancing practices and increased cleaning requirements will necessitate increased staffing. We must follow the guidelines from our Federal, State, and Local agencies, including the CDC.

With those increased requirements come budgetary challenges. Our management team has been keeping the board aware of these unforeseen costs. Though Covid-19 has changed how we do business, business still must go on. A pool expansion was brought to the membership for approval. There has been some confusion that this would increase our annual assessments. However, after refinancing the Lodge, Beach House and Ski loan with an additional 1.5-million-dollar loan for the new pool expansion over 10 years, we could reduce our current annual dues. At present we pay \$322 in dues for the old loan, but after refinancing, it could go down to around \$265, including the new pool. Please review all information provided on our web page.

The Rental Policy Committee completed their work and presented the board with a proposed rental policy. A Townhall meeting was held two weeks ago, with over 300 teleconference attendees. Today's meeting the board will continue their discussion on the proposed policy, and hopefully make a decision. All comments and suggestions have been forwarded to the BOD for their review prior to today's meeting. As we enter the summer remember we are all in this together.

Regards,
June Carrozza
President