MASTHOPE MOUNTAIN COMMUNITY
PROPERTY OWNERS COUNCIL
196 Karl Hope Boulevard
LACKAWAXEN, PA 18435
PHONE (570) 685-4790 • FAX (570) 685-2701
E-mail: masthope@ltis.net
Web site: www.masthope.org

February 6, 2021

Dear Property Owners,

You are receiving this letter to notify you about the General Membership Meeting which will take place on Saturday, March 13th, 2021 at 10:00 AM at the Lodge and teleconference. The two main topics of the meeting are the operating and capital budget. Sign ins will begin at 9:00 AM.

Explanation of these items are included in this mailing. If you cannot attend the meeting, and you are a member, in good standing, you may mail in the Directed Proxies which are enclosed. Instructions as well as a pre-addressed envelope are included. Due to the coronavirus pandemic and the ever-changing recommendations by federal and state agencies, the BOD upon advice of counsel, has reapproved the acceptance of proxy ballot on the day of the meeting. A replacement ballot may be picked up at the POC Office if needed.

Procedure for voting by proxy on March 13th, 2021 GMM:

- Complete your ballot
- Place in envelope and seal
- Print property owner name and lot number on the front of the envelope
- Deliver to the POC Secured Mailbox located in the front of the POC Office between 9am-10am, on Saturday, March 13th, 2021. Ballots will not be accepted at any other time.
- Upon validation, the ballots will be delivered to the representative of the accounting firm for tabulation.

This will assure you that your vote will be counted as you express. Directed Proxies will count towards the quorum.

NOTICE OF QUORUM REQUIREMENT
AND ADJOURNED MEETING PROCEDURE

The meeting will be called to order at 10:00 AM. If there is an absence of quorum, the Chair will wait 15 minutes and call the meeting to order again at 10:15 AM. If there is still no quorum the Chair will then wait an additional 15 minutes and finally call the meeting to order at 10:30 AM. If no quorum is present at that time, then those members present may set the date for a new meeting not less than 30 days after the scheduled meeting at which time the agenda shall remain the same.

The General Membership Meeting, Saturday, March 13th, 2021 at 10am.

To join an audio conference call:

1. **Dial (720) 740-9528**

Please note: All lines will be muted until the Q&A portion of the meeting.

Q&A Session Instructions

Keep in mind all lines will be muted until the Q&A portion of the meeting.

1. When the Q&A Session is announced:
2. Press * 6 to ask a question
3. Press 1 to place yourself in the queue
4. Wait to be called on by the moderator:

a. Moderator will unmute your line for the duration of the question.
b. Questions will be answered in the order received.
c. Our regular 2-minute time limits will be followed.
d. One question period per member.

We are looking forward to seeing you on March 13th, 2021.

Dan Clark
Chairman

June Carrozza
President

MASTHOPE MOUNTAIN COMMUNITY POC

GENERAL MEMBERSHIP MEETING AGENDA

March 13th, 2021 10:00 AM in the Lodge and/or Teleconference

10:00 Reading of the teleconference and voting procedure

10:03 Meeting called to order & salute to the flag

10:05 Approval to waive the reading of the November 2020 GMM Minutes

10:07 Approval of November 2020 General Membership Minutes

10:10 Treasurer's Report/Budget Presentation (followed by property owner questions)

10:40 President's Report / Questions

11:00 Management Team Report / Questions

11:20 Property Owners Time

11:45 Voting Commences

12:15 Old Business

12:30 New Business

12:45 Voting Results

1:00 Adjournment

COMMITTEE OF THE WHOLE RULES OF ORDER

Standing Rules:

1. Each person shall have a maximum of two minutes at the microphone.
2. Each person shall speak no more than two times on the same issue.
3. Decorum in debate shall be maintained at all times.

Rules of Order:

The business of the community is conducted in an orderly manner, following the set of rules specified in the governing documents of Masthope Mountain Community. The following are some important concepts with which you should become familiar.

1. The Chairman's role is to run the meeting in an impartial manner, following the rules established in our governing documents.
2. Motions to be added to the agenda need to be raised following rules established by the community in our Bylaws.

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Board of Directors Election July 10, 2021

Dear Members,

This July there will be four (4) seats on the Board up for election. According to the By-laws, no nominations can be made from the floor on July 10th. All candidates will have the opportunity to write a brief bio which will be published with the notice of the meeting.

Any one interested in running for this office must do the following:

1. Get a petition from the office or from the Property Owners area of our website and secure the signature of (10) deeded property owners in good standing. It is strongly recommended that you secure more than ten signatures. A deeded property owner may sign only once on a petition and there may be only one signature per property on a petition. A property owner may sign more than one petition.

2. Please write a bio of no more than 150 words about yourself and why you wish to serve on the Board of Directors. This bio is recommended but not mandatory.

All petitions and bios must be handed in to the office no later than the close of business on Monday May 17, 2021. If you need to mail your statement and petition, please mail it to the office postmarked no later than May 13, 2021.

A Meet the Candidates Meeting is scheduled for Sunday, May 30th from 11am-1pm in the Property Owners Lounge.

Please call the office if you have any questions.

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Feb. 2, 2021

Dear Property Owners,

I would like to extend my appreciation to our staff for their dedication to Masthope Mountain Community during the ongoing COVID-19 pandemic. They have been faced with continuous changes on how business is done, and they have gone above and beyond to keep business going. We see how strong a community we have. Throughout this pandemic, our property owners paid their dues, our reserves are strong, and our property values keep rising with the transfer of many properties.

We continue to monitor the situation with Aqua's need for expansion of our sewer system. Thank you to our management team, and the board of directors for their leadership.

In July, four seats are up for election for the BOD. If you are interested in making a difference in your community and running, you may pick up a petition in the office or download from our website.

Every year, we thank our Committee members with an end of the year party in April, we were unable to do so at that time. We do not know where we will be in April. So, I extend a gracious thank you to those that serve on each committee.

We are in the process of updating our aging ID Pass system, and the new RFID passes were first implemented by RMC and Ski Big Bear. Thank you, Lori Phillips, General Manager, and the Ski Big Bear staff and POC staff for guiding us through the process. As we update our pass system, we will use the same RFID passes. What was found during ski season was an abuse of privileges, with property owners giving their ski pass to others. BOD discussed the theft of service and new restrictions were put into place. This will continue at every amenity throughout the year. As part of our software upgrades, a new HOA Management system will also be put into place.

We all enjoyed skiing on the mountain this winter, despite the restrictions. In the Spring, our pool expansion will be completed, and a bigger and better pool amenity will open. Two separate pools: one all about fun with more slides, diving board, kiddie pool, splash pad and the second will be tranquil for those that want to do laps, "swim team", and just spend leisure time. We all hope we can celebrate the opening together.

For some of you, this might be your first mailing. The BOD has recommended the approval of a draft of the new Amended and Restated Declaration of Covenants, Easements, and Restrictions for Masthope Mountain Community ("Declaration"). Changing the Covenants is a huge task that has been in the making for many years. The current document is over 40 years old and is our senior document that we must follow. The Declaration is a legal document that is connected to the property's deed, which is why it can only be signed once, making your decision irrevocable. When you bought your home and signed the deed

in the community, you accepted the present Covenant. An amendment to this document must be approved by 2/3 of all property owners. I advise you to go to Masthope.org, under property owners, read your existing Covenants; then read the amendment. The job is out of the Board and Document Review Committee's hand and into yours for you to make an informed decision. Enclosed in this mailing is the proxy that can be signed, a yes vote to update the covenants, and mailed back to Bill Owens, Auditor.

Regards,
June Carrozza

President

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2/6/2021

Dear Property Owner,

Attached is the proposed budget summary for fiscal year 2021-2022. This budget proposal was presented to the Community in our Town Hall on January 23, 2021, and is the result of an annual budget process. This process begins during the third quarter of each year with a review of the proposed budget by the Financial Committee which forwards the final proposal to the Board. The Board then votes to send it to the Property Owners for their vote per our Bylaws.

This year, our annual Budget Meeting will be held on Saturday, March 13, 2021 at 10:00 am. Due to the ongoing COVID-19 restrictions, the venue information for the meeting will be communicated separately through our normal channels prior to the meeting.

Explanation of Budget

Every year, Masthope's budget has three major components – the Operating Budget, the Capital Budget, and the Food and Beverage Budget. For 2021-2022, the overall budget assessment for single lots is **decreasing by $104.80** compared to 2020-2021.

- The Operating Budget reflects a **$54 increase** (3.62%) in assessment for single lots over last year. A large portion of this increase ($33) is due to the increased personnel and maintenance costs of the new pool complex which was approved by the community last year. Additional cost drivers this year are waste removal, water/sewer, and administrative/software costs. Per our Bylaws, a vote on the Operating Budget is required since the increase is larger than the CPI benchmark of 1.2%.
- The Capital Budget reflects a **$158.80 decrease** in assessment for single lots over last year, and now consists only of assessments for our restructured loan and for Reserves. We do not have any new capital projects lined up for the 2021-2022 fiscal year.
    1. Loan Payments: As part of the new pool complex construction, we restructured our existing loan for Ski, Lodge, and Beach House/Riverpark to include the new pool. With that restructuring, the Loan Payments portion of the capital assessment **decreased by $122**, from $332 to $210. A vote on the Loan Payments is not required.
    2. Reserves: The Capital Budget contains single lot assessments in the amounts of $59.10 and $56.10 for the General and Ski Reserves Accounts, respectively. The amount of $59.10 for the General Reserves Account is an increase of $2.10 and represents the mandatory minimum annual assessment of two percent of the previous year's total operating budget, as prescribed by our Bylaws. The amount of $56.10 for the Ski Reserves is $1.10 or 2% higher than this year, which is within the range of up to 3% allowed by our Bylaws. A vote on the Ski Reserves is required.
- The Food and Beverage (F&B) Budget is part of our overall operations, but kept separate from general operations to better focus on the Summit and Market Place income, expense and profitability. This year, F&B operations were severely impacted by COVID-19 restrictions. These impacts should subside during 2021-2022 fiscal year. Summit and Marketplace are planned to be self-sustaining and to return to being slightly profitable. A vote on the Food and Beverage Budget is not required.

2021-2022 Assessments

The following table shows the proposed Operating Budget and Capital Budget assessments for the 2021-2022 Fiscal Year and provides a comparison to the prior year budget.

OVERALL VIEW			
Single Improved Lot	**Proposed 2021-2022**	**Prior Year**	**Difference**
Operations Assessment	$1,547.00	$1,493.00	$54.00
Capital Assessment	$325.20	$484.00	($158.80)
Total Assessment	**$1,872.20**	$1,977.00	($104.80)
Single Unimproved Lot			
Operations Assessment	$1,347.00	$1,293.00	$54.00
Capital Assessment	$325.20	$484.00	($158.80)
Total Assessment	**$1,672.20**	$1,777.00	($104.80)

Additional detail on the Capital Assessment is provided in the next table:

BREAKDOWN OF CAPITAL ASSESSMENT		
Item	**Proposed 2021-2022**	**Prior Year**
Ski Loan	-----	$175.00
Lodge Loan	-----	$100.00
Beach House/Riverpark Loan	-----	$57.00
Restructured Loan	$210.00	-----
Subtotal	**$210.00**	**$332.00**
Reserve Funding: General Account	$59.10	$57.00
Reserve Funding: Ski Account	$56.10	$55.00
Capital Projects	-----	$40.00
Total	**$325.20**	**$484.00**

Your Board of Directors recommends a positive vote for all items requested.

We hope to see you at the General Membership Meeting in March.

Gerhard Buhler
Treasurer

Planned Capital Replacements

Per the Bylaws, all planned spending from Capital Reserve Accounts must be declared as part of the annual budget process. The following tables list current community assets planned for replacement in the 2021-2022 fiscal year. The replacements are funded from the respective Reserve Accounts. **There are no additional assessments.**

From General Reserves Account	
2008 GMC 2500 Pickup Truck	$55,000
2007 Kubota Tractor w/accessories	50,490
2009 M2 RTV 900 Utility Mule	19,250
3930 Ford Tractor	16,830
Mail boxes	14,280
Lodge – Furniture	10,000
Horses	9,000
Run-In Sheds	8,160
Lake and Pool Furniture	7,650
Snow Removal Equipment	6,120
Cameras	6,000
Grounds, lodge, POC area	5,100
Misc. Community Small Capital	5,100
Furniture-misc. office	5,000
Treadmill / Landice Pro Sports	4,590
Computer 2 Server #2	4,080
Treadmill / Sports Art	4,080
Camera (DVR's) /Digital Prite 2	3,672
Radios / Motorola CP	3,570
Life Fitness 7005	3,060
Tools General	3,060
Bike Reclined	2,550
Vinyl Express Machine	2,550
Barbeque grills	2,040
Fencing-Pasture	2,040
Picinic tables	2,040
Dell Computer	1,530
Picnic tables	2,000
Dell Computer	1,500
Total for 2021	**$256,842**

From F&B Reserves Account	
Pontiac / Vibe	$10,200
36" 6-Burner Range / Southbend	6,120
36" 6-Burner Range / Southbend	6,120
Deli Case Marc MDL-6 5/6B	5,100
Dell computer	5,100
Food and Beverage Misc Small Wares	4,080
Tiki Lounge furniture	4,080
Single Door Cooler / Master Built - R235	3,789
2 Door Cooler True	3,672
Tiki Bar Stools	3,570
Ice Machine / Ice O Matic	3,417
Uniworld Griddle	3,264
TV's / various	3,060
4 Tap beer Cooler / Bev Air DD941	2,754
Char Broiler / Southbend	2,652
Booster Heater / HATCO	2,550
60" Bain Marie / Turbo Air TST60SDD2	2,346
Griddle / Southbend	2,346
Low Boy Freezer-Bev Air WTF48	2,040
Computer / Dell	1,632
Single Fryer / Imperial	1,326
Lenovo Laptop	1,224
Tor-rey Scale	714
Total for 2021	**$81,156**

From Ski Reserves Account	
Supply Pipeline distribution pipeline	$51,500
Thunder Cloud Green - Chairs refurb	40,000
Air Water snow guns	30,000
L. Bear Chair - Terminal Upgrade	20,000
Compressor/Shop building - Exterior siding and doors	10,300
Mountain Electrical Project 1	10,300
Trail Lights Group 2	6,180
Annual upgrades	5,150
Pump Drive Systems 2	5,150
Water Hydrants Group 2	3,090
Total for 2020	**$181,670**

Budget Comparison by Department

OPERATING BUDGET Description	2021/2022 Budget	2020/2021 Budget	2019/2020 Year End
OPERATING INCOME			
PRIOR YEARS DUES	50,000	50,000	42,192
MAINTENANCE DUES	2,576,000	2,477,400	2,456,531
LATE INTEREST INCOME	30,000	25,000	47,230
DUES INCOME	2,656,000	2,552,400	2,545,954
INCOME BY DEPARTMENT			
STABLES INCOME TOTAL	13,000	17,500	16,300
COLLECTION INCOME TOTAL	25,000	25,000	7,959
ACTIVITIES INCOME TOTAL	13,000	13,000	9,623
FITNESS CENTER INCOME TOTAL	7,650	7,650	8,958
SKI INCOME TOTAL	50,600	50,000	50,000
SUMMIT OPERATIONS SHARE	36,000	36,000	-
OTHER INCOME TOTAL	330,500	275,500	286,560
TOTAL OPERATING INCOME	**3,131,750**	**2,977,050**	**2,925,353**
OPERATING EXPENSES			
FITNESS CENTER EXPENSES	92,950	92,450	82,828
ACTIVITIES EXPENSES	40,000	40,000	35,224
STABLE EXPENSES	263,750	241,750	223,270
LAKE & POOL EXPENSES	220,500	170,300	165,108
AMENITIES EXPENSES	10,000	9,000	7,717
SKI EXPENSES	114,500	122,500	106,227
LODGE EXPENSES	100,000	102,000	80,480
ADMINISTRATION EXPENSES	523,500	474,500	476,629
COLLECTION EXPENSES	3,000	3,000	13,502
MAINTENANCE EXPENSES	577,500	543,500	504,497
PUBLIC SAFETY EXPENSES	367,250	358,250	368,562
INSTITUTIONAL EXPENSES	789,500	790,500	695,656
BEACH HOUSE EXPENSES	29,300	29,300	26,846
TOTAL OPERATING EXPENSES	**3,131,750**	**2,977,050**	**2,786,547**
FOOD & BEVERAGE INCOME			
SUMMIT INCOME	1,605,000	1,605,000	1,745,952
MARKET PLACE INCOME	479,000	479,000	505,543
TOTAL F&B INCOME	**2,084,000**	**2,084,000**	**2,251,495**
FOOD & BEVERAGE EXPENSES			
SUMMIT EXPENSES	1,572,000	1,572,000	1,648,169
MARKET PLACE EXPENSE	496,000	496,000	532,067
TOTAL F&B EXPENSES	**2,068,000**	**2,068,000**	**2,180,236**
F&B P&(L)	**16,000**	**16,000**	**71,259**

MASTHOPE MOUNTAIN COMMUNITY
PROPERTY OWNERS COUNCIL
OFFICIAL DIRECTED PROXY AND BALLOT
March 13, 2021

(Make sure you fill out the front and back of this page and send in the full stapled proxy)

Amended Directed Proxy and Ballot

The undersigned, a member in good standing 30 days prior to this membership meeting of the Masthope Mountain Community Property Owners Council (the "Association"), does hereby constitute and appoint the Secretary of the Association with full power of substitution for and in the name, place and stead of the undersigned to vote at the Annual Membership Meeting of the Masthope Mountain Community Property Owners Council to be held on Saturday, March 13, 2021 at 10 a.m. at the Summit Lodge at Masthope, or other venue under COVID-19 conditions, and at any adjournment of the meeting, as directed below on the following matters as fully and with the same effect as the undersigned might and could do if present at the meeting or any adjournment of the meeting. I hereby acknowledge that (1) I have received the full text and rationale for each proposed resolution below in the same mailing in which I received this Directed Proxy and Ballot; and (2) I have indicated whether my Directed Proxy and Ballot authorizes the Secretary to vote on any other matters that properly may come before the meeting.

This document shall also constitute an Official Ballot of a Member if used in person for that purpose at the meeting.

Summary	Proposed	Prior Year	Difference
Operating	$1,547.00	$1,493.00	$54.00
Capital	$325.20	$484.00	($158.80)
Total - Improved Lot	**$1,872.20**	**$1,977.00**	**($104.80)**
Total - Unimproved Lot	**$1,672.20**	**$1,777.00**	**($104.80)**

Preamble # 1 – Operating Budget

Whereas the continuing operation of the Masthope community requires an increase of $54 for single improved lots and single unimproved lots over the prior year operating budget, therefore be it resolved,

Motion # 1

1. Approve the increase of $54.00 to each 2021-2022 dues assessment for single improved lots and single unimproved lots.

Yes_____ No_____

Details listed in Explanation of Budget.

Preamble # 2 – Capital Budget

Whereas the capital budget assessments require an amount of $325.20 for single improved lots and single unimproved lots, and

Whereas there are existing contractual capital assessments for the Consolidated Amenities Loan in the amount of $210, and

Whereas our Bylaws prescribe a mandatory Minimum Annual Assessment of two percent (2%) of the previous year's total Operating Budget for the Restricted Reserve Account – General, corresponding to an amount of $59.10, and

Whereas money is needed for funding the Capital Asset Reserves for community owned ski assets in the amount of $56.10, therefore be it resolved,

Motion # 2

2. Approve the addition of $56.10 to each 2021-2022 dues assessment for Capital Ski assets in the *Restricted Reserve Account – Ski.*

Yes_____ No_____

Details listed in Explanation of Budget

INSTRUCTIONS FOR COMPLETION and DELIVERY OF DIRECTED PROXY

A. If property is owned by two or more persons, only one of the owners need sign this Directed Proxy.
B. Corporations, partnerships or other entities that are Association members must state the name of the entity; its duly authorized representative must sign for the entity on this Directed Proxy and state the signor's office in the entity.
C. Insert completed proxy in an envelope addressed to William Owens, CPA.
D. Make sure your name and Lot # appears on the outside of the envelope.
E. This Directed Proxy must be received at the office of William Owens no later than March 5, 2021.

Print Name: _____

Masthope Address (911 Address) _____

Lot #_____

Signature:_____ Date: _____

Return to: William Owens & Co. CPA
5 John Street Floor 2
Carbondale, Pa. 18407
Att: William Owens

Directed Proxies will not be accepted in the Association Office

LOT OWNER'S IRREVOCABLE CONSENT

TO THE AMENDED AND RESTATED

DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS FOR MASTHOPE MOUNTAIN COMMUNITY

This is a lot owner's irrevocable consent regarding the Masthope Mountain Community, a planned community located in Lackawaxen Township, Pike County (the "Community"). This consent is delivered irrevocably to the Board of Directors of the Masthope Mountain Community Property Owners Council (the "Association") by the persons who signed it, and shall be binding on the signers, and their respective heirs, successors and assigns.

Owner's name(s): _____

Owner's Address: _____

Owner's Masthope Property Lot No: _____

Background: The Association is the duly organized association of lot owners in the Community. Masthope Rapids, Inc. and its successor, Falling Waters at Masthope, Inc. (the "Declarants") created the Community by recording a Declaration and series of amendments for the Community (collectively the "Declaration"). The current Declaration, as amended, is dated May 23, 1978 and is recorded in the Office of the Recorder of Deeds for Pike County, Pennsylvania in Deed Book 627 at Page 49 et seq. (the "1978 Declaration"). The Community is also governed now by portions of a 1997 Pennsylvania statute titled the Uniform Planned Community Act, 68 Pa. C.S.A. 5101 et seq. (the "UPCA").

The 1978 Declaration is quite outdated. It needs to be updated to integrate best practices in the industry, the strategic plan for the Community, certain UPCA legal standards and other concepts already made part of the Association's Bylaws. To that end, the Association's Board of Directors authorized and has overseen a comprehensive effort to prepare a new Declaration for the Community titled an Amended and Restated Declaration of Covenants, Easements and Restrictions (the "new Declaration"), which has also been the subject of an educational outreach effort by the Association to all members of the Community.

A copy of the proposed new Declaration is enclosed with this Irrevocable Consent form and is intended to replace the 1978 Declaration for the Community. While you should read this new Declaration carefully, some of its highlights are also stated in the Executive Summary enclosed with this Irrevocable Consent form.

For the new Declaration to become effective, it must receive the written approval by Lot Owner(s) to whom a minimum of sixty-six and two-thirds percent of the votes in the Association are allocated. The new Declaration has already been approved by the Board of Directors. The Association's Board of Directors recommends that you approve the new Declaration by signing this Consent form.

Owner's Consent: I/We hereby **APPROVE AND CONSENT** to the new AMENDED AND RESTATED DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS FOR MASTHOPE MOUNTAIN COMMUNITY. The Board of Directors of the Association is specifically authorized to execute and record the new Declaration, as directed by this Irrevocable Consent.

Owner Signature(s): _____ Date: _____

_____ _____

Note: Have at least one or all persons who hold title to the property sign this document as evidence of their consent. Please sign in ink. If you own more than one Lot, please sign a separate consent form for each lot. Use the envelope provided to mail form to the auditor (or mail to: William Owens & Co. CPA, 5 John Street Floor 2, Carbondale, Pa. 18407). No forms can be accepted if mailed or delivered to Masthope POC.