

**MOUNTAINSIDE RESORT AT STOWE
BOARD OF DIRECTORS MEETING MINUTES**

June 9, 2017

I. CALL TO ORDER/ROLL CALL

Veronique Marcus called the meeting to order at 3:04 p.m. The following persons were in attendance:

Board of Directors:

Veronique Marcus Ken Wright (telephonic)

Gene Brown Judith Waldert

Robert Tomassetti Inge Brown

Steve Edwards William Wright

Leslie Eiser (telephonic)

Vacation Resorts International and Management:

Joel Bourassa, Director of Resorts/VRI

Ashley Getty, General Manager

Other:

Beth Grob, Whole Owner

Mark Vandenberg, Whole Owner

Tom Stretton, Auditor from McSoley McCoy in Burlington, VT

II. APPROVAL OF AGENDA

MOTION: Bob Tomassetti moved to approve the agenda with the following changes: Under VI. Committee Reports, Financial Committee add a. Audit Status - Tom Stretton, and b. Executive Session. Motion was seconded by Judie Waldert and approved unanimously.

President's Remarks:

Veronique Marcus spoke briefly about basic Board member protocols and leadership responsibilities as a follow-up to a previous email she had distributed. There was a brief discussion and no action taken. Inga Brown asked that the agenda to be sent out by the President well in advance of the meeting.

MOTION: Steve Edwards moved that VRI is to provide the minutes to the Board within 30 days of the meeting. Motion was seconded by Bill Wright and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES (03/10/17)

MOTION: Judie Waldert moved to approve the March 10, 2017 Board Meeting Minutes as written. Motion was seconded by Veronique Marcus and approved unanimously.

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IV. FINANCIAL REPORT

Joel Bourassa reviewed the financial statements as of month end April 2017. Included in the reviewed documents were the Consolidated Income Statements, Cash Balances Report, Balance Sheet, Comparative Income Statement, Variance Report, Accounts Receivable Summary Report and Cash Flow for Operations and Reserves.

V. MANAGEMENT REPORTS

A. General Manager's Report

Ashley Getty reported on the following:

Timeshare Upgrades:

Year to date upgrades to B401 and B301 have been completed. Unit B303 was slated to be complete by now but there was much more work than anticipated. This unit will be completed as soon as it can be taken out of use for an extended period of time, likely after the summer. Ashley stated that all timeshare units have had mattress replacements.

Deed Backs:

There have been numerous phone calls and emails from timeshare owners wishing to deed their timeshare weeks back to the resort. Currently there are 13 written requests and many more verbal requests that need attention. Most of these owners have owned for many years, paid their dues annually and no longer have a use for the timeshare week. The Board was asked to provide some direction on how they would like to handle these requests. This discussion was tabled to the timeshare strategy meeting on Saturday.

Capital and Common Area Projects:

The Wi-Fi upgrade project is currently underway with a target completion date of July 1st. This will include installation of commercial grade systems at each building and will extend the reach and strength of the internet signal.

An outside gardener was hired to complete the landscaping at the Cottage Club Road entrance. He has finished the first phase of this project and there has already been a number of positive comments from guests and owners on this work.

Exterior painting projects are on hold due to the significant amount of rain. The staff has been focused on timeshare unit upgrades and a contractor is set to begin deck replacement this week.

The routine maintenance such as painting/staining of all decks, stairways, doors, etc. is a very time consuming project. To accomplish these projects in a more timely fashion some alternatives include:

- o Hiring one or more seasonal employees to maintain routine maintenance projects. This could be done through the summer and early fall to get up to date and then reevaluated based on the needs of the resort.
- o Look into outsourcing some of this work to outside contractors which would likely be a costly option.

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MOTION: Steve Edwards moved to authorize Ashley Getty hiring several seasonal workers to paint low effort, high visibility locations. Motion was seconded by Gene Brown and approved unanimously.

Maintenance Outbuilding:

As previously discussed, constructing a wooden building for the use of Maintenance staff, storing equipment and garaging the plow truck would then allow maintenance to completely move out of the office

space. This would create room to upgrade the office and housekeeping areas at a cost of approximately \$81,000.

Tentative financing has been approved with the following terms:

- o \$15,250 due as deposit.
- o Payment of \$15,250 in both January and February of each year from 2018-2020.
- o If this project is approved by the Board, other financing options will be solicited to ensure the best possible payment arrangement and interest rates.

Update on Fire in K Unit:

The restoration company is still working in the K unit as planned. The estimated completion date is midJuly.

There have been a handful of setbacks, but weekly conference calls are made with the owner and project manager to discuss the progress and any questions or concerns that arise.

Rental Program:

As part of the ongoing conversation regarding the rental program, research has started to look into outsourcing the resort's housekeeping services. The challenges in housekeeping vary from finding and keeping quality staff members to maintaining low cost and high quality cleanings.

Additional Updates:

Current Staff: The resort's current office staff consists of Rebecca Stuart, Tiffany Smith and Katelynn Combs.

Tiffany is the front office manager and the main contact for all guest and owner concerns/requests.

Rebecca Stuart has become a project guru and is becoming increasingly involved in timeshare projects/deed transfers, resolving guest concerns and being Tiffany's backup while also assisting in overseeing the office duties.

Both Tiffany and Rebecca recently attended a training session on the Cape with RCI to further their knowledge in the timeshare industry and RCI programs.

Both Tiffany and Rebecca have also been making sure the housekeeping department is running smoothly. They currently work together on reviewing incoming guests/owners, building the schedule for staff and facilitating communication between departments.

Katelynn works at the front desk and handles all phone calls, reservations and guest/owner requests with the assistance of Rebecca and Tiffany as needed.

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Lori Paterno was recently hired as the new housekeeping manager. Lori has decades of customer service and cleaning experience and is quickly immersing herself in the Mountainside world.

Constant Contact is now being used for email blasts to advertise rental program promotions and also any timeshare weeks for sale.

In response to the newsletter sent out in May, there are three inquiries from owners who may have an interest in running for the Board.

VI. COMMITTEE REPORTS**A. Buildings & Grounds and Common Area**

Bill Wright and Steve Edwards reported on areas of concerns around the resort.

From the 2016 report:

There has been no real progress on the 2016 list, partially due to inclement weather.

There are questions as to if the resort's human resources are being expended in upgrading a few units at the cost of even simple exterior resort maintenance and upkeep. For example, pool building replacement boards do not match original boards and pool deck staining was started last year but never completed.

More recent improvements needed:

White fence in front of F Building parking needs scraping and painting and replacement soon. Railings on lower K Building is very visible and looks shabby.

Recommendations:

Painting needs to be performed more regularly and it appears that the maintenance staff is too busy to get to this level of maintenance. The lack of painting leads to poor guest comment cards. Entryways to the units need attention due to pollen build up, dead bugs, and deck rails in need of paint. Suggest hiring a couple of young people to do the ground level painting and other easier tasks during the summer months.

B. WiFi/Technical Committee

Bill Wright stated that the upgraded project cost would be around \$32,000 with a targeted July 21 completion date.

C. Guest Experience Committee

Judith reviewed a handout with recent positive and negative comment card remarks. Many comment cards were focused on housekeeping issues and general unit quality.

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D. Financial Committee:

a. Audit Status - Tom Stretton

Tom Stretton of McSoley McCoy in Burlington, Vermont reviewed the draft audit prepared by his firm. He

reported that the full audit earned the highest rating designation. He stated that VRI uses a conservative

approach when dealing with bad debt and has proper internal controls in place. Tom answered several questions from the Board.

b. Executive Session

MOTION: Gene Brown moved to enter into Executive Session at 6:02 p.m. Motion was seconded by Bob Tomassetti and approved unanimously.

MOTION: Bob Tomassetti moved to return to regular meeting at 6:50 p.m. Motion was seconded by Gene

Brown and approved unanimously.

VII. OLD BUSINESS

No discussion.

VIII. NEW BUSINESS

No discussion.

IX. OTHER

A. Future Meeting Dates

Friday, September 8, 2017, 3:00 p.m. to 5:00 p.m. – Board Meeting

Saturday, October 21, 2017, 10:00 a.m. to 1:00 p.m. – Annual Meeting

Saturday, October 21, 2017, 1:15 p.m. to 1:45 p.m. – Organizational Meeting

X. ADJOURNMENT

MOTION: Bob Tomassetti moved to adjourn the meeting at 6:50 p.m. Motion was seconded by Gene Brown and approved unanimously.

Leslie Eiser, Secretary Date

JB/jmf

mrs: 060917min

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APPROVED

MOUNTAINSIDE RESORT AT STOWE

BOARD OF DIRECTORS MEETING MINUTES

March 10, 2017

I. CALL TO ORDER/ROLL CALL

Veronique Marcus called the meeting to order at 3:08 p.m. The following persons were in attendance:

Board of Directors:

Veronique Marcus, telephonically Ken Wright, telephonically
Gene Brown Judith Waldert
Robert Tomassetti, telephonically Inge Brown
Steve Edwards William Wright
Leslie Eiser, telephonically
Vacation Resorts International and Resort Management:
Joel Bourassa, Director of Resorts/VRI (presiding)
Ashley Getty, General Manager
Other Guests:
Phil and Ann Corrinet, Owners K103 and A101
Mark Vandenberg, Owner A102 and D201

II. APPROVAL OF AGENDA

MOTION: Gene Brown moved to approve the agenda with the following change, Under VI. Committee Reports, delete E. Executive Session. Motion was seconded by Steve Edwards and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES (12/02/16)

Inge Brown suggested that in the Financial Reports of the minutes any highlights or specific areas of concern should be noted.

MOTION: Inge Brown moved to approve the December 2, 2016 Board Meeting Minutes as written. Motion was seconded by Gene Brown and approved unanimously.

IV. FINANCIAL REPORT

Joel Bourassa reviewed the financial statements as of year-end December 2016 and month end January 2017. Included in the reviewed documents were the Consolidated Income Statements, Cash Balances Report, Balance Sheet, Comparative Income Statement, Variance Report, Accounts Receivable Summary Report and Cash Flow for Operations and Reserves.

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The December 2016 highlights include the following:

- ☐ Revenue was up \$2,453 over December 2015.
- ☐ Payroll was over in housekeeping by \$831 than in 2015.
- ☐ In Operating, the combined electric charges ended up \$3,000 less than in 2015.
- ☐ In Admin and General, legal was \$51,005 higher in 2016 due to deed backs and foreclosure letter process.
- ☐ The cash flow at the end of December 2016 was under budget by \$20,594 compared to \$37,253 in 2015.

The January highlights include the following:

- ☐ Housekeeping payroll is over budget by \$4,453. It has yet to be determined if the cause was due to training and/or the switch to unit pay.

V. MANAGEMENT REPORTS

A. General Manager's Report

Condo Fire Update – K Building, K103

There was extensive damage to the interior of the unit as well as slight water damage to the unit below. At the recommendation of VRI, Belfor Restoration was retained for the

restoration of both units. The upper unit is still under construction and the lower unit is complete with the exception of the exterior door being installed next week. .

The emergency systems in place worked exactly as it should have. The smoke detectors in the unit activated properly and would have alerted the guests had anyone been in the unit. Resort staff responded quickly and the fire department was able to promptly extinguish the fire.

During the 2010 project renovations, buildings H, J and K were not required to have a sprinkler system or be connected to the security company. The buildings do have smoke detectors that need to be upgraded to connect wirelessly to all the detectors in the individual units. The other buildings are set up with a sprinkler system and a fire panel that will dispatch the fire department if the sprinkler system activates or a pull station is triggered. Due to this incident, the Board requested a proposal to have the buildings wired to a security company. The proposal is as follows:

H and J Buildings - \$1,950 each

K Building - \$5,725

This would alert the security company every time a smoke detector goes off along with the fire department being dispatched immediately.

Phil Corrinet discussed his unit fire, how it could happen to anyone that owners should make sure they have ample coverage for contents.

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Phil also asked that the “No Smoking” policy be handed out with the check-in packages, that the “no barbecue grill” policy be strictly enforced and to ensure that that buildings are up to code.

Ashley Getty presented the following options for fire alarms and sprinklers:

Current System – Buildings A-G

The below configuration meets current fire code; however, need to re-verify that all units are up to date.

- ☐ Sprinkler system - If activated, our security company is notified and automatically dispatches the fire department

- ☐ Pull Stations - If pulled, security company is notified and automatically dispatches fire department

- ☐ Smoke detectors – Are hardwired and if activated, NO notification sent to security or fire department

Current System Buildings H-K

The configuration below does not meet current fire code.

- ☐ Hardwired smoke detectors are one per unit and if activated, NO notification sent to security or fire department

Minimum updates required to meet code:

- ☐ Multiple, interconnected smoke detectors and if one activates, it will activate all detectors within one unit. But if activated, NO notification sent to security or fire department

Options for H-K

- ☐ Install pull stations in all units, if pulled, security company and fire department alerted

- ☐ Multiple, interconnected smoke detectors - If one activates, it will activate all detectors within one unit. They can be tied into security company – if activated, security company alerted and fire department dispatched. This means every time a smoke detector activates, the fire department will be dispatched which is problematic.

- ☐ Same configuration as buildings A-G

MOTION: Steve Edwards moved to approve the development of a uniform non-smoking policy for the resort. Motion was seconded by Judy Waldert and approved unanimously.

Rental Program

Gross rentals indicate a strong start to the year with income ahead of the 5-year average by \$9,200 and ahead of 2016 by \$32,400. A strong ski season has helped along with continual work with Stowe Area Association to be involved in the local events.

Timeshare Update

Collection efforts for delinquent timeshare accounts continue as resort staff recently began calling owners with 2017 delinquencies.

9 Upgrades will continue in the timeshare units. Work will begin in Unit B401 on March 18th and continue to next unit in this fashion as availability allows.

Buildings and Grounds Committee Information

Steve Edwards and Bill Wright outlined the following recommendations to the Board:

2017 Capital Projects

Total Budget: \$168,768

Items Approved in Dec. 2016 BOD Meeting

2017 Estimated Cost

Bulkhead w/building at the reservoir \$18,000

Paving \$60,000

2 Culverts at pool \$5,000

1 Culvert at C parking lot \$3,500

Pool building roof \$8,000

Electrical Work at G Building \$5,000

Total \$99,500

Remaining Budget: \$69,268

Suggested Items

2017 Estimated Cost

Window Replacement in B Building \$15,000

Landscaping for resort entrance \$5,000

WiFi Upgrade Lease \$21,154

Deck Work (min. 3 decks) \$15,000 (\$5,000 each)

Maintenance Outbuilding \$15,250 deposit

☐ **Window Replacement in B-Building** - estimated at \$30,000 with 50% to be expensed to the Capital account and 50% to be expensed to the Whole-Owner or to Timeshare Upgrades.

☐ **Landscaping** - would allow the Cottage Club Road entrance to be spruced up.

☐ **WiFi Upgrade** - Quote for entire project is \$54,440.67. Financing available over 12, 24 and 36 months with monthly payments of \$4,900.75, \$2,562.52 and \$1,762.79. This amount is subject to change once a site survey has been completed. A Site Survey is \$2,500, which will be deducted from the total quote. Quote is to upgrade the current system and includes all equipment and installation. 90-days of monitoring and support at no additional cost. Actively ongoing monitoring at no cost. After 90 days, any support or repair will be billed out hourly.

☐ **Deck Work** - as requested, research for using composite decking was completed, but the material expense was approximately three times the price of the materials currently being used. Decks scheduled this year: A302, C301 and D401 and are in critical condition and causing damage to the units below.

☐ **Maintenance Outbuilding** - As previously discussed, management has looked into constructing a wooden building to be used for the maintenance staff, equipment and

garage for the plow truck. This would allow maintenance to completely move out of the office space, creating room to upgrade the office and housekeeping areas. Total project cost is \$81,000. Financing with the following terms was approved:

o Two payments of \$15,250 in January and February of each year from 2018-2020.

o The finance company is very accommodating and is willing to work with the resort on the financing of this project.

Steve Edwards suggested that the money allocated to a proposed maintenance building be allocated to more critical projects such as window replacement.

MOTION: Bob Tomassetti moved to table the outbuilding discussion until the June meeting.

Motion was seconded by Ken Wright and approved unanimously.

VI. COMMITTEE REPORTS

A. Buildings and Grounds and Common Area

Bill Wright and Steve Edwards inspected the outside of 11 buildings, including the pool building in December. They met with Ashley Getty and Randy Hutchinson in January and again in February to discuss the issues and get their input.

Certain problems were revealed which are common to all buildings:

1. Deck railings and vertical supports need to be painted. Some are painted and some are not. This creates an unusual visual effect.
2. Many windows have rotted sills, inoperative open/close mechanisms and peeling paint.
3. Fascia boards below the decks on the older buildings and under the peaked roofs on the newer buildings need to be painted.

These three categories of items are difficult to repair and, except for the painting of deck railings, will need to be handled by outside contractors. The vertical supports, deck fascia's and fascia's on the peaked roofs are difficult to reach. The ground around all buildings is uneven and does not lend itself to the use of lift trucks that are needed to reach the higher stories. Therefore, Ashley will obtain quotes in the spring to have the vertical supports and fascia board painted by an outside contractor.

With regard to the windows, the committee's recommendation that the windows and the surrounding moldings be replaced from inside the units. The windows are no longer stock sizes and the most cost effective way to replace them is to order a large number at one time and have an outside contractor install. The moldings will be of a composite material which will not require painting in the future.

A master list of all outside problems has been created and staff will work on the other items that were identified.

The staff intends to perform the following work:

1. Paint unit doors;
2. Stain deck railings and floors;
3. Power wash all buildings.

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There are also specific problems peculiar to each building that can also be handled by staff. Funds in the capital budget for this year will allow for a good start on the above projects.

B. WiFi/Technical Committee

Discussed under A. General Manager's Report.

C. Guest Experience Committee

Judith Waldert stated that the comment cards frequently mention mouse droppings are being found in the units. Housekeeping needs to be aware of this issue and use traps where needed.

D. Financial Committee Report

Gene Brown presented a power point presentation which included the following:

- ☐ Expenses for Incidentals
- ☐ Typical Unit Cleaning Restocking List

Options for Expenses for Incidentals Include:

Option 1 - Accept that additional expense for supplies are a cost of doing business.

Option 2 - Secure a credit card at check-in to be used for incidental supplies and establish a process to track requests / audit for billing and collection

Option 3 - Adjust cleaning fees* to compensate for the excess expense.

Option 4 - Track requests for 1-2 months to determine the cost attributable to each program

☐ **Cleaning Fee Cost Recovery**

o It is time consuming and labor intensive to prepare per unit summaries for invoicing, collection and accounting by VRI. For Whole Owner, Rental and Timeshare programs administrative overhead is compensated for through fees and commissions.

o For outside rentals the process is even more time consuming for MSR staff and VRI. Current cleaning fees do not cover this additional overhead for the outside rentals.

Options for Cleaning Fee Cost Recovery:

Option 1 - Accept that the additional expense to provide this service to WO renting outside the rental program is a fair and equitable benefit of ownership.

Option 2 - Establish a new cleaning fee schedule which assumes an extra 0.5 / hour of labor per cleaning to compensate for the additional overhead.

Option 3 - Execute a 1-2 month time and motion study to determine the cost required for each program scenario and establish a new cleaning fee schedule for outside rentals based on these findings.

There is currently no process to track the actual requests for additional supplies by unit.

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☐ **Audit Firm Change**

Gene Brown researched alternative auditing firms and stated that he recommends McSorley and McCoy of South Burlington, VT.

MOTION: Gene Brown moved to approve the firm of McSorley and McCoy of South Burlington, VT to perform an annual full audit for the association. Motion was seconded by Steve Edwards and approved unanimously.

General Timeshare Overview for Mountainside

Gene Brown stated that he and Ashley Getty had spent a great deal of time researching the timeshare ownership at Mountainside. Gene used another PowerPoint presentation to review the following findings:

Units for sale by owner:

☐ **There are 158 TS weeks for sale by owner**

☐ **Prices range from free to \$4,500**

Owned by MSR HOA:

☐ **458 where MSR HOA holds the deed**

☐ **104 proposed for non-judicial foreclosure**

☐ **42 not appropriate for non-judicial foreclosure**

o Unable to Locate/Serve 33 (Includes Viking Ships)

o Ancillary Estate In Progress 2

o Misc. Legal Hold 7 (Estate/Divorce/Bankruptcy)

Gene also showed the decline in the number of sold and contributing TS units over 10 years and showed a graph of the steady decline in the number of sold and financially contributing timeshare units.

Gene discussed the financial impact of bad debt expense due to delinquent owners and resulting impact on the maintenance fees.

Declarations and Deeds

Gene discussed the differences of the following:

1981 Declaration and Deeds - which as written forced a vote on whether to continue or terminate the interval ownership. Upon termination, unit week owners become tenants in common with shared ownership of 51 weeks – left to manage usage of weeks themselves or sell and divide the proceeds.

2014 Restated Bylaws – The provisions as re-written removes the date, but allows for a vote at any time on whether to continue or terminate interval ownership.

Rationale and Implications

☐ **Why the change? Potential buyers might be dissuaded from purchasing a week knowing the program could end in 2021.**

☐ **Implications**

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o The action, while rational at the surface kicked the can down the road to a future board without alerting owners or considering the longer term viability of timeshare.

o The change include a decreased in the % of owners required to call for a vote, but increased the % required, from 50% to 67%, making it more difficult to terminate interval ownership. The motivation for this is not clear.

Legal Opinion - Ashley Getty and Gene Brown spent a great deal of time reviewing the declaration documents (1981 and 2014), reviewing the deed language, Board meeting minutes from the period when these changes were proposed and approved. They have also worked with the MSR attorney to ensure understanding of the legal ease and options.

Alternatives to Consider:

☐ **Continue the program and establish an aggressive program to sell unit weeks**

o We don't have the staff nor skills in house, nor does VRI.

o This will require a substantial budget.

☐ **Advertise and rent**

o Establish a program to recover expenses (cleaning, utility, commission)

o Determine how to use net rental income (i.e. foreclose on delinquent units)

o Consider the impact to the current rental program (lost rental revenue)

☐ **Survey remaining membership for interest in**

o Continuing the program

o Terminating the program

☐ **Prepare to terminate the Interval Ownership program**

o Execute a formal vote

o Petition the court to sell the units

o Distribute proceed to owners

☐ **note: HOA is an owner and could recoup some past expense)**

o Evaluate cost structure to operate MSR as a 100% whole owner community

☐ **Consider implications of advertising 33 MSR units for sale**

o Staffing

o Services

o Market

VII. OLD BUSINESS

A. Granite State Contracting Furnishings

An agreement has been reached with Granite State Contract Furnishings. A return of \$16,000 will be refunded with the outstanding amount of \$6,447 waived and all contacts terminated.

B. Foreclosures

Discussed in Financial Committee Report.

VIII. NEW BUSINESS

A. Capital Reserves 2017

MOTION: Judy Waldert moved to approve the following 4 Reserve projects: window replacements, Wi-Fi upgrades, landscaping, and deck replacement. Motion was seconded by Steve Edwards and approved with Bill Wright opposed.

B. RCI Comment Cards

RCI Comment Cards distributed.

C. Time Share Sales

Tabled until the June meeting.

D. Fireplaces

No discussion.

IX. OTHER

A. Future Meeting Dates

Friday, June 9, 2017, 3:00 p.m. to 5:00 p.m. – Board Meeting

Saturday, June 10, 2017, 9:00 a.m. to 12:00 p.m. – Strategic Planning Session

Friday, September 8, 2017, 3:00 p.m. to 5:00 p.m. – Board Meeting

Saturday, October 21, 2017, 10:00 a.m. to 1:00 p.m. – Annual Meeting

Saturday, October 21, 2017, 1:15 p.m. to 1:45 p.m. – Organizational Meeting

X. ADJOURNMENT

MOTION: Judy Waldert moved to adjourn the meeting at 6:07 p.m. Motion was seconded by Bill Wright and approved unanimously.

Leslie Eiser, Secretary Date

JB/jmf

mrs: 031017min

**MOUNTAINSIDE RESORT AT STOWE
BOARD OF DIRECTORS MEETING MINUTES**

September 8, 2017

I. CALL TO ORDER/ROLL CALL

Veronique Marcus called the meeting to order at 3:05 p.m. The following persons were in attendance:

Board of Directors:

Veronique Marcus Ken Wright (telephonically)

Gene Brown Judith Waldert

Inge Brown William Wright

Steve Edwards

Leslie Eiser (telephonically)

Absent:

Robert Tomassetti

Vacation Resorts International and Management:

Joel Bourassa, Director of Resorts/VRI

Ashley Getty, General Manager

Other:

Beth Grob, Whole Owner F103

Jim Laplante, Timeshare Owner of Week 41 and Board Candidate

II. APPROVAL OF AGENDA

MOTION: Judie Waldert moved to approve the agenda by delaying the review of the minutes until later in the meeting. Motion was seconded by Inge Brown and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES (06/09/17 and 08/15/17)

MOTION: Judie Waldert moved to approve the June 9, 2017 Board Meeting Minutes as written. Motion was seconded by Gene Brown and approved unanimously.

MOTION: Bill Wright moved to approve the August 15, 2017 Board Meeting Minutes as written. Motion was seconded by Gene Brown and approved unanimously.

IV. FINANCIAL REPORT

Joel Bourassa reviewed the financial statements as of month end July 2017. Included in the reviewed documents were the Consolidated Income Statements, Cash Balances Report, Balance Sheet, Comparative Income Statement, Variance Report, Accounts Receivable Summary Report and Cash Flow for Operations and Reserves.

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September 9, 2017

Steve Edwards asked if there was an easier way to review the monthly financials. Joel Bourassa said that a Consolidated Income Statement “one-sheet” was created for that purpose last year at the request of Leslie Eiser.

V. MANAGEMENT REPORTS

A. General Manager’s Report

Timeshare Upgrades

In order to speed up the process of timeshare upgrades, the Board and management developed a plan to upgrade certain units on a much faster pace. During the summer the following units were upgraded: B201, B101, E201. Each unit was taken off line for one week to give staff enough time to complete the following tasks:

- Removal and replacement of cupboards and countertops
- Installation of new appliances
- Installing a backsplash

Additional items completed if necessary and as time allows:

- Bathroom remodel
- New mirrors, towel bars, etc.
- Installation of new fireplaces

The next full unit remodel (unit B303) is scheduled to begin after foliage season. Kitchen remodeling will also continue once outside work is no longer possible.

Timeshare Deedbacks

As of this date, 20 timeshare deeds have been taken back from owners who are no longer able to maintain their ownership. There are currently 21 more requests from owners pending.

Capital Projects

The following capital projects have been completed to date this year:

- Upgrade of wireless internet
- Landscaping at Cottage Club Road entrance
- Laundry room upgrade
- Annual fire extinguisher inspection completed
- Annual boiler testing completed
- Replacement of decks and windows (ongoing)
- Continuous painting of outdoor areas, decks and windows
- Road work will continue later in the season
- New LED lights in the pool and locker room areas

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September 9, 2017

The Board previously approved a \$60,000 line item for paving and road work. After reviewing this estimate with the contractor, the price increased by approximately \$30,000. The projects listed below will be completed.

Project Estimate

Install Drainage \$ 9,000

Replace catch basin and piping at pool \$ 3,300

Replace culvert at pool \$ 2,700

Install new bulkhead at reservoir \$10,000

Total \$25,000

Rental Program:

Rentals have been strong comparatively this year. At the end of July, gross rentals were up 4% over the 5-year average and up 23% over 2016 for the same time period.

Marketing and Sales:

Mountainside Resort is a sponsor in the first Stowe Jazz Festival! This event is taking place September 8 – 10. The mainstage will take place at the Alchemist Brewery and Mountainside Resort will be hosting family field games at various times throughout the performance. We are working closely with the event coordinator in hopes of having family friendly food vendors on the property.

Management will continue to work with the Stowe Area Association (SAA) to be a part of the wonderful events they bring to Stowe. These events can be reviewed at www.gostowe.com.

One of the most recent promotions with SAA included a special sale exclusive to Vail Resort followers. This will be featured on national paid marketing channels, email marketing campaigns targeted at Epic passholders and other Vail Resort subscribers as well as on www.snow.com.

Comment Cards:

The comment cards received have been reviewed with the staff to make sure everything in our power is being done to provide the best service possible. Additionally, effective immediately, the comment cards received in the office will be sent by staff to Judie Waldert for review and inclusion in her future reports.

Veronique Marcus stated that the Board should consider a bus turn-around in the plans as Stowe buses will not stop to pick up skiers due to lack of turning space.

VI. COMMITTEE REPORTS

A. Buildings and Grounds and Common Area

Bill Wright stated that he wants to research hiring a property management company as the resort's maintenance staff is tied up with current projects. He also said he was disappointed in the painting progress made thus far.

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September 9, 2017

Bill said he and Steve Edwards met with Ashley Getty on August 24, 2017 and discussed a variety of concerns and then prioritized by cost/benefit the low effort/high visibility items and high effort projects that need to be completed. Bill and Steve were pleased with the painting on the white railings and lattice work at the pool house.

Veronique Marcus expressed concern about the cloudy water in the hot tub.

B. WiFi/Technical Committee

Bill Wright asked that this item be removed from future agendas.

C. Guest Experience Committee

Judith Waldert reviewed the scorecard summaries and detail reports that outlined positive and negative remarks. She stated that progress has been made but there are still numerous maintenance and housekeeping issues. She also reviewed her chart depicting the 12-month comment card ratings.

Veronique Marcus mentioned that A/C's need to be replaced after 20 years. Ashley Getty said they are currently replaced as needed.

D. Financial Committee

Gene Brown deferred his review of the budget to VIII. New Business, A. 2018 Budget.

VII. OLD BUSINESS

A. Timeshare Delinquencies, Year to Year Comparison

Joel Bourassa distributed a handout that depicted the correlation between timeshare collection percentages and timeshare delinquency rates from 2010 to present. He pointed out that the delinquency rate has slowed considerably since 2015.

B. Time Share Rental Strategy

Tabled to Executive Session if time allowed at the end of the meeting

C. Marketing and Targeting Families

Veronique explained that the history of the resort as a former Olympic Village in Montreal might be appealing to guests from a marketing prospective.

Ashley Getty stated that she is looking at On Line Travel Agents (OTA's) to assist in marketing.

The Board directed Ashley to put together a draft marketing plan for the November meeting.

September 9, 2017

VIII. NEW BUSINESS

A. 2018 Budget

Treasurer Gene Brown explained the budget process started with a template provided by VRI and then Ashley Getty made line-by-line recommendations for review. The primary hurdle they faced was the challenge of getting housekeeping cleaning costs to cover the actual costs of cleaning the units.

Gene stated that there was good data available on whole owners and rentals but not on timeshare occupancy. Gene created a 2016 Timeshare Occupancy Chart reviewing every day's occupancy and another matrix that showed timeshare cleaning costs by unit type. With that information, he was able to determine that the proposed cleaning fees for 2018 increase from \$55 to \$70 for a 1 bedroom unit; from \$65 to \$95 for a 2 bedroom unit; from \$73 to \$125 for a 3 and 4 bedroom unit.

Gene showed a slide that summarized the 2018 Budget options into 4 options and then presented the pros and cons of each option. The recommendation and consensus was that Option 3 was the preferred option.

MOTION: Steve Edwards moved to approve a total combined budget for 2018 of \$1,795,410 establishing the timeshare owner maintenance fees at \$765.00/studio and \$771.79 one bedroom; \$781.21 two bedroom and \$791.08 three bedroom. The whole owner maintenance fees are attached as Exhibit A and reflect a 2.04% increase. Motion was seconded by Bill Wright and was approved with one Board member opposed and one Board member abstaining.

B. Monthly Board Meeting

The additional monthly evening telephonic Board meetings are duly posted on the resort website.

C. Annual Meeting

Joel Bourassa stated that the Annual Meeting is on Saturday, October 21, 2017 from 10:00 a.m. to 1:00 p.m. at the Stoweflake Inn.

D. ABC Policy

MOTION: Steve Edwards moved to approve the timeshare and whole owners Assessment Billing and Collection policy for 2018. Motion was seconded by Judie Waldert and approved unanimously.

E. ARDA ROC

MOTION: Judie Waldert moved to not participate in supporting ARDA ROC for 2018. Motion was seconded by Inge Brown and approved unanimously.

September 9, 2017

F. Trading Places Buck Slip

MOTION: Steve Edwards moved to approve the insertion of the Trading Places buck slip in with the 2018 timeshare and whole owners billing for 2018. Motion was seconded by

Inge Brown and failed with two Board members opposed and two Board members abstaining.

G. Pet Policy Enforcement

Tabled until a future meeting due to time constraints.

IX. OTHER

A. Future Meeting Dates

Saturday, October 21, 2017, 10:00 a.m. to 1:00 p.m. – Annual Meeting

Saturday, October 21, 2017, 1:15 p.m. to 1:45 p.m. – Organizational Meeting

X. ADJOURNMENT

MOTION: Steve Edwards moved to adjourn meeting at 6:30 p.m. Motion was seconded by Judy Waldert and approved unanimously.

MOTION: Steve Edwards moved to enter into Executive Session at 6:30 p.m. Motion was seconded by Judy Waldert and approved unanimously.

MOTION: Inge Brown moved exit Executive Session at 7:02 p.m. Motion was seconded by Bill Wright and approved unanimously.

Leslie Eiser, Secretary Date

JB/jmf

mrs: 090817min

MOUNTAINSIDE RESORT AT STOWE BOARD OF DIRECTORS MEETING MINUTES

Telephonic Board Meeting

Tuesday, October 3, 2017

I. CALL TO ORDER/ROLL CALL

Meeting was called to order at 8:15 PM, by Bob Tomassetti, interim president. A roll call was taken and the following board members were present: Bob Tomassetti, Gene Brown, Steve Edwards, Bill Wright, Inge Brown, Judie Waldert, and General Manager, Ashley Getty.

II. APPROVAL OF AGENDA

MOTION: Gene Brown asked to have the cleaning fee decision added to the agenda. Inge Brown moved to amend the agenda and Gene Brown seconded the motion.

III. EXECUTIVE SESSION

Per the agenda, the Board went into Executive Session. After approximately 1 hour discussion in Executive Session,

MOTION: Bob Tomassetti moved to come out of Executive Session. Seconded by Bill Wright.

IV. OLD BUSINESS

Regarding cleaning fees, there was some discussion regarding not changing the commission rate in addition to increasing the cleaning fee. It was pointed out that to do that would change the amounts on the budget that was already passed by the board. There was also a discussion on who the cleaning fee would be billed to.

MOTION: Bill Wright moved that the cleaning fees effective 1/1/2018 be \$70 for a 1 bedroom, \$95 for a 2 bedroom and \$125 for a 3 bedroom. Seconded by Steve Edwards. Motion was approved unanimously.

MOTION: Steve Edwards moved that the rental commission be increased from 28% to 32% effective 1/1/2018. Seconded by Judie Waldert. The vote was unanimous. Steve also reminded the leadership that it would be important to demonstrate to the owners that these increases were still conservative compared to other commissions and costs of cleaning in the area.

MOTION: At 10:00 PM, Inge Brown moved to adjourn the meeting, Steve Edwards seconded the motion and the meeting was adjourned.

BOD meeting 10/17/2017 8:00 PM

Minutes taken by Leslie Eiser and Joel Bourassa

Attending:

Ashley, Gene, Bill, Leslie, Bob, Steve, Judie, Joel, Ken, Inge

Meeting called to order at 8:00 by Bob

Motion to approve Agenda – by Bill, Seconded by Judie. All agreed.

Question from Bob – when do meeting times for 2017/2018 get approved? Answer from various board members - At the organization meeting after the annual meeting.

Discussion topic: Annual Meeting Preparation

Gene presented the meeting plan for everyone to discuss. Overall the meeting should last about 3 hours, the same as last year.

Leslie reminded the BOD that someone must state that there is a Quorum present at the beginning. Gene amplified that to include a question to the audience if there is anything to add to the agenda. Joel is to handle this and add as appropriate to the agenda.

Bob asked Gene for clarification on some of the Timeshare issues, specifically the decrease in number of TS owners. Gene showed him some of the slides to be presented at the meeting that address this issue.

Judie asked that we be sure to make it clear that this is an industry wide (for small timeshare resorts) trend.

Bill suggested adding an 'Introduce New Owners' section. Board agreed, Ashley to work on that. Perhaps they would like to introduce themselves.

Ashley told the board that our guest speaker is Patricia Murphy, Director of Business Development for RCI. She will have about 20 minutes to speak prior to a break to count ballots.

Old Business: Nothing to discuss

New Business: Nothing to discuss

Board Dinner on Friday night is at 6:30 PM at the Whip

Motion to Adjourn at 8:28 PM by Bill, seconded by Steve, approved unanimously.

Mountainside Resort at Stowe Page 1 of 3 October 21, 2017

Approved

**MOUNTAINSIDE RESORT AT STOWE
BOARD OF DIRECTORS ORGANIZATIONAL MEETING MINUTES**

October 21, 2017

I. CALL TO ORDER/ROLL CALL

Bob Tomassetti called the meeting to order at 1:26 p.m. The following persons were in attendance:

Board of Directors:

Robert Tomassetti Gene Brown

Stephen Edwards Leslie Eiser

Judith Waldert Jim LaPlante

Inge Brown William Wright

Phil Corrinet

Vacation Resorts International and Management:

Joel Bourassa, Director of Resorts/VRI

Ashley Getty, General Manager

II. APPROVAL OF AGENDA

MOTION: Gene Brown moved to approve the agenda as presented. Motion was seconded by Judie Waldert and approved unanimously.

III. APPROVAL OF MEETING MINUTES

A. Approval of Regular Meeting Minutes (09/08/17)

MOTION: Judie Waldert moved to approve the September 8, 2017 Board Meeting Minutes with the following change: Under VII. Old Business, C. Marketing and Targeting Families, remove the first line that starts with “Veronique” and replace with “The history of the resort is interesting and should be part of the future marketing.” Motion was seconded by Inge Brown and approved unanimously.

B. Approval of Telephonic Meeting Minutes (10/03/17)

MOTION: Judie Waldert moved to approve the October 3, 2017 Telephonic Meeting Minutes as written. Motion was seconded by Inge Brown and approved unanimously.

C. Approval of Telephonic Meeting Minutes (10/17/17)

MOTION: Judie Waldert moved to approve the October 17, 2017 Telephonic Meeting Minutes as written. Motion was seconded by Inge Brown and approved unanimously.

Mountainside Resort at Stowe Page 2 of 3 October 21, 2017

IV. ELECTION OF OFFICERS

MOTION: Phil Corrinet moved to approve the following slate of officers: President – Gene Brown, Vice-President Robert Tomassetti, Treasurer Judie Waldert and Secretary Steve Edwards. Motion was seconded by Jim LaPlante and approved unanimously.

V. OLD BUSINESS

There was no old business.

VI. NEW BUSINESS

President Gene Brown said he will start a Rental Committee for the association.

Joel Bourassa was asked to research whether the Board can provide a contact list for the designated wholeowners so that they can contact each other for social events. They would be given a chance beforehand to opt to be on or off the list.

VII. OTHER

Future meeting dates:

Note: All meetings are listed on the website at www.mountainsideresort.com and all owners are invited to attend.

Regular Board Meetings:

- 12/8/17: 3:00 p.m. to 6:00 p.m.
- 3/23/18: 3:00 p.m. to 6:00 p.m.
- 6/15/18: 3:00 p.m. to 6:00 p.m.
- 6/16/18: 9:00 a.m. to 12:00 p.m. (strategic planning)
- 9/7/18: 3:00 p.m. to 6:00 p.m.
- 10/20/18 – 1:15 p.m. to 1:45 p.m. (Organizational Meeting)

Teleconference Board Meetings – All begin at 7:30 p.m.

- 11/21/17
- 1/16/18
- 2/20/18
- 4/17/18
- 5/15/18
- 7/17/18
- 8/21/18
- 10/16/18

HOA Annual Meeting

- 10/20/18 – 10:00 a.m. to 1:00 p.m.

Mountainside Resort at Stowe Page 3 of 3 October 21, 2017

VIII. ADJOURNMENT

MOTION: Judie Waldert moved to adjourn the meeting at 2:10 p.m. Motion was seconded by Bill Wright and approved unanimously.

Stephen Edwards, Secretary Date

JB/jmf

mrs: 102117min

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Mountainside Resort at Stowe Page 1 of 9 October 21, 2017

MOUNTAINSIDE RESORT AT STOWE ANNUAL MEETING MINUTES

October 21, 2017

I. WELCOME AND INTRODUCTIONS

President Robert Tomassetti welcomed everyone in attendance and introduced the following persons:

Board of Directors:

Robert Tomassetti Gene Brown

Leslie Eiser Inge Brown

Judith Waldert Stephen Edwards

William Wright

Absent:

Ken Wright

Vacation Resorts International and Resort Management:

Joel Bourassa, Director of Resorts/VRI

Ashley Getty, General Manager

Tiffany Smith, Front Desk Manager

Other:

Patricia Murphy, RCI Director of Business Development

II. REPORT ON QUORUM

The owners present at the meeting introduced themselves. Ashley Getty announced that of the 55 wholly owned units at the resort, 17 owners were personally present and 9 were present by proxy. Of the 33 timeshare units at the resort, 3 designated voters were present in person and 4 were present by proxy. Quorum was met.

III. CALL MEETING TO ORDER

Robert Tomassetti called the meeting to order at 10:10 a.m.

IV. APPROVAL OF THE AGENDA

MOTION: Upon motion duly made and seconded, the agenda was approved unanimously as presented.

V. APPROVAL OF 2016 ANNUAL MEETING MINUTES

MOTION: Upon motion duly made and seconded, the reading of the minutes of the October 22, 2016 annual meeting was waived and the minutes were unanimously approved as presented.

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Mountainside Resort at Stowe Page 2 of 9 October 21, 2017

VI. PRESIDENT'S REPORT

Robert Tomassetti reported that Board President Veronique Marcus resigned in August and that Board Member Ken Wright opted not to run for the Board again. Robert briefly highlighted the agenda items and introduced Joel Bourassa from VRI and guest speaker Patricia Murphy from RCI.

VII. MANAGER'S UPDATE

Ashley Getty reported on the following:

Electronic Communications

Ashley encouraged owners to sign up on www.mountainsideresort.com to learn about resort and local happenings, timeshare and exchange program updates and general resort news and updates.

Completed Capital Projects

- Upgrade of wireless internet.
- Landscaping at Cottage Road entrance.
- Laundry room upgrade.
- Annual fire extinguisher inspections completed.
- Selected deck and window replacement (ongoing).
- Continued prep and painting of outdoor areas, decks and windows.
- Road work will continue this fall.
- New LED lights in the pool and locker room areas.

Timeshare upgrades using piecemeal approach (3 completed)

- Kitchens: cupboards, countertops, appliances, and backsplash replacement.
- Bathrooms: mirrors, towel bars, medicine cabinets, etc.
- Fireplace replacement.
- Two more renovations still planned for 2017.

Insurance Claims

There were two large insurance claims in 2017, a fire in unit K103 and water damage in unit H101. These significant claims could lead to increased premiums in 2018 and bids will be solicited for the 2018 coverage.

VIII. COMMITTEE UPDATES

A. Guest Experience

Judie Waldert stated that the goal of the Guest Experience Committee was to consolidate and identify trends to enable the Board and General Manager to use the results to prioritize decisions. Judie explained her Comment Card 12-month tracking system comparing 2016 and 2017 results. She shared positive and negative guest comments. The most common negative comments centered around too many stairs, uncomfortable beds, short office hours and the need for timeshare unit upgrades.

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Mountainside Resort at Stowe Page 3 of 9 October 21, 2017

The positive comments included:

- Staff was friendly and helpful.
- Front desk was friendly and helpful and listened patiently.
- Staff helped us get our car started on a cold day.
- Maintenance responded quickly and left a note stating what was completed.
- Unit was quiet and we had a lovely view.
- Great staff.
- Thoroughly enjoyed our stay at Stowe. Would come back in a heartbeat.

B. Building and Grounds

Steve Edwards reported that he and Bill Wright were co-chairs of this Committee with the following objectives:

- Monitor the exterior of the buildings and common areas.
- Develop both long and short-term plans for maintenance of the resort.
- Identify maintenance issues likely to arise in the next 5-10 years.
- Begin to establish a capital reserve fund for project implementation.

Observations and Success Stories

- First time in many years this committee has been active.
- Created an inventory of issues that need attention.
- Currently concentrating on high visibility, low effort issues.
- Many items have already been completed as follows:
 - Railings and fences painted.
 - Entryways and siding power washed.
 - Several window sills have been replaced, decks and roofs beneath them will be replaced as needed.

Future Plans

- Continue documenting outstanding maintenance requirements such as roofs, windows, decks and painting.
- Track significant items closely including budgets and schedules and getting outside contractors engaged early.
- Conduct more frequent resort walk-arounds with property management and decide if projects be completed in-house or with outside contractors.
- Continued focus on building degradation.
- Ensure regular power washing, cleaning and painting.

Owner's Comments

An owner in attendance suggested that the resort host a work weekend using owner volunteers. Several owners had questions about what they were able to repair themselves inside their units. Both of those items will be taken up at future Board meetings. Owners were also encouraged to report to management any items in their units that need repair.

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Mountainside Resort at Stowe Page 4 of 9 October 21, 2017

C. Finance (Non-Budget Items)

Monthly Financials

Joel Bourassa reported on the month-ending August 2017 financial statements. Included in the review were the consolidated income statements and cash flow analysis. He stated that the monthly financial reports are just a snapshot in time and that the month-to-month reports can vary considerably due to timing and circumstances.

Finance Committee

Treasurer Gene Brown stated that the Finance Committee was formed to primarily provide financial oversight for the organization and assist the President, General Manager and Board with budgeting and financial planning, financial reporting and ensuring adherence with internal controls and accountability policies.

Timeshare

Gene presented a timeshare status report highlighting the following:

- There are 1,686 weeks currently in the timeshare program.
- 1,270 weeks were invoiced in 2017.
- There is a 17% bad debt allowance (216).
- There are 485 association owned weeks through August 2017.
- 220 weeks are delinquent.
- 1,212 weeks to be invoiced in 2018.
- Projecting a 15% bad debt allowance for 2018 (182).
- Timeshare erosion due to an aging demographic, competition, and desire for multiple amenities all contribute to a decline in unit sales from 85% in 2008 to 72% likely in 2018.

Timeshare Fee Comparison

Gene presented a slide depicting the national maintenance fee averages and stated that Mountainside is well below the national average and represents just a 2.5% average annual increase.

Timeshare Inhibitors

- Dollars and speed of execution
 - Upgrades take money.
 - Unit downtime often required for upgrades.
 - Upgrades consume maintenance staff time.
- Market
 - Timeshare sales have been stagnant in our niche market.
 - Sales and rentals are dependent on the “product”.
- Rental Revenue Limitations
 - Saturday-Saturday check-in/checkout.
 - External commission costs.

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Timeshare – Mitigating the impact

Ashley Getty explained the various supplemental streams of rental income.

- Rental – Association owned and Delinquent weeks
 - Bookings.com, Expedia, Stowe Area Association, Direct bookings.
 - Short term rentals \$12,351 (after commissions) Approximately 159 nights.
 - Long term rentals \$14,524 (studios).
- Global Connections Affiliation
 - 149 weeks (21% of association owned and delinquent weeks).
 - Revenue \$63,493 after commissions.
- Currently Exploring
 - Vacation Clubs.
 - Airbnb (new pilot).

Total equals \$90,269 which is the equivalent to 116 weeks of maintenance fees.

Rental Program

Gene Brown talked about rental revenue, commissions and fees and highlighted the following:

- Occupancy
 - Difficult to measure given the varied programs.
 - Cleaning is the resort's proxy to occupancy.
 - Occupancy is the basis for cost allocation.
- Rental Trends
 - Increases fees and travel agency commissions.
 - Competition on rates and dynamic nature of rates.
 - Success of owners doing direct rentals.
- Commissions
 - Up to 2003 commissions were at 24%, increased to 28% in 2004 and remained there until 2017. The commission will be at 32% in 2018.
- Cleaning Fees History/Changes
 - Charged to renters through 2007.
 - Changed to be included in the rate from 2008-2017.
 - Changed to be charged to renters again starting in 2018.

Impact of Increased Fees

Cleaning Fees: Gene Brown explained that there has been a drastic change in who is making use of the resort supplied cleaning services. His slide showed that in 2015 the owner and rental cleanings were split evenly at 50% but by 2017 the owner cleanings accounted for 60% and the rental cleanings accounted for 40%. This means more and more owners are renting outside of the resort's rental program but still using the resort cleaning services. See chart below.

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CLEANING USE DISTRIBUTION

Gene Brown followed up with tables that depicted the impact of commissions and fees using a two bedroom/2 night stay as an example comparing 2017 to proposed 2018 rates. She demonstrated that owners can actually make more revenue by the resort charging guests for the cleaning fees, rather than the owners. This holds true, with the nightly rates remaining the same and the commission increases to 32%. See chart below:

IMPACT OF COMMISSIONS AND FEES Two Bedroom/ Minimum 2 Night StayBefore 2018 Changes28%Seasonal

Rates	Nights	Total	Owner Pays Cleaning	NetCommission Expense	Due to Owner	Compared to 2017
190.00\$	2380.00\$	72.00\$	308.00\$	86.24\$	221.76\$ (\$36.64)	230.00\$ 2460.00\$
72.00\$	388.00\$	108.64\$	279.36\$ (\$33.44)	275.00\$	2550.00\$	72.00\$ 478.00\$ 133.84\$ 344.16\$ (\$29.84)
310.00\$	2620.00\$	72.00\$	548.00\$	153.44\$	394.56\$ (\$27.04)	475.00\$
2950.00\$	72.00\$	878.00\$	245.84\$	632.16\$ (\$13.84)		

Two Bedroom/ Minimum 2 Night StayAfter 2018 Changes32%Seasonal Rates

Nights	Total	Renter Pays Cleaning	NetCommission Expense	Due to Owner	Compared to 2017
190.00\$	2380.00\$	95.00\$	380.00\$	121.60\$	258.40\$ \$36.64
230.00\$	2460.00\$	95.00\$	460.00\$	147.20\$	312.80\$
275.00\$	2550.00\$	95.00\$	550.00\$	176.00\$	374.00\$ \$29.84
310.00\$	2620.00\$	95.00\$	620.00\$	198.40\$	421.60\$ \$27.04
475.00\$	2950.00\$	95.00\$	950.00\$	304.00\$	646.00\$

\$13.84

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Mountainside Resort at Stowe Page 7 of 9 October 21, 2017

Housekeeping Overview: Ashley Getty explained a proposed cleaning fee change effective January 1, 2018. She said that the projected housekeeping cost for 2018 is \$188,990 which included linen and laundry, supplies, uniforms and labor.

A one-bedroom unit will increase to \$70; a two-bedroom will increase to \$95 and 3-4-bedroom units will increase to \$125. However, fees will be billed to the renter for all rentals at the resort starting on January 1, 2018.

She also explained the many details involved in cleaning beyond just the room cleaning itself.

IX. RCI PRESENTATION

Patricia Murphy, RCI's Director of Business Development, discussed the history of their exchange company now with 4,200 resorts and 3.6 million members through which they do 1.8 transactions per year in 51 offices around the world.

Through June 20, 2017 they have sent 648,000 members on vacation. She noted that now 52% Booking Vacations are completed online at RCI.com. Patricia also discussed trading power and giving more transparency for members. She said the earlier member weeks are deposited, the more trading power that can be earned.

X. 2018 ANNUAL BUDGET REVIEW AND VOTE

Gene Brown discussed the budget process and noted that the Board's new auditor, McSoley, McCoy and Company found no material findings in 2016. He stated that the 2018 proposed budget started with a General Manager review of the budget actuals and ended with a proposed budget which the Treasurer then reviewed and suggested changes. The Board then reviewed the budget and the 2018 budget was approved by the Board on September 9, 2017.

2018 Budget Areas of Focus

- Cost of unit cleaning continues to exceed revenue.
- Revenue and expense allocation adjustments.
 - Reflecting all gross rental revenue.
 - Discreetly reflecting all commission expenses.
 - Increase in Travel Agency fees.
 - Rental Program Commissions.
 - Rental revenue slowing down.

Payroll Expense

- Overall the 2018 budget reflects a \$43,000 increase from 2017. This includes a \$33,000 increased housekeeping payroll based on historical actuals and small increases in each department.

Cleaning Challenges

- Property is challenging for staff to navigate.
- Not comparable to a standard hotel room cleaning.
- Weather conditions make it difficult to move around from building to building.
- Competition – many options for staff locally. Wages are comparable throughout Stowe.

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October
21, 2017
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• Payroll
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\$46,486 with legal expenses decreased by \$12,500 and various other decreases in other line items.

Revenue

- Proposed 2018 budget for revenue is \$1,795,410 which is a \$32,617 decrease from 2016 attributed to few billable timeshare weeks and a reduction in budgeted rental revenues.

Annual Fees

- Timeshare assessments: No increase in 2018.
- Whole owner assessments: 2% increase in 2018.

Operating Fund Balance

Gene Brown presented an updated chart showing operating fund balances at a positive \$72,639 in 2005 with a drop to a negative \$218,853 in 2010 (due to a MSR 2010 cost overrun) and climbed back up to a negative \$92,765 in 2016. This represents a slow but steady improvement without having to levy a special assessment.

MOTION: Upon motion duly made and seconded, the 2018 Budget was approved unanimously as presented.

XI. NOMINATION/ELECTION OF BOARD MEMBERS

Robert Tomassetti asked if there were any nominations from the floor.

MOTION: Whole owner Mark Vandenberg was duly nominated and there was a second from the floor and approved unanimously.

MOTION: Whole owner Phil Corrinet was duly nominated and there was a second from the floor and approved unanimously.

The following timeshare owners were on the ballot.

MOTION: Timeshare owner Judie Waldert was duly nominated with a second and approved unanimously.

MOTION: Timeshare owner Jim LaPlante was duly nominated with second and approved unanimously.

The candidates were asked by Robert Tomassetti to speak about their credentials and interest in running for the vacancies.

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Mountainside Resort at Stowe Page 9 of 9 October 21, 2017

The two timeshare candidates Judy Waldert and Jim LaPlante were elected and whole owner Phil Corrinet was elected to the open whole owner seat.

XII. OLD BUSINESS

Jack McIvor stated that owners are allowed to participate in meetings, but telephonic connections are poor.

Owner Anne Corrinet read a request from owner Beth Grob that requested that during the summer months management contract out for routine maintenance of grounds, washing of buildings, painting, landscaping, etc. to keep the resort looking good and to prevent damage that may in the long run be very costly. This would, in turn, free up the maintenance staff to keep up on their everyday tasks.

Bob Tomassetti encouraged owners to give suggestions whenever they can. Bill Wright said all committees are open to any owners wishing to participate.

XIII. NEW BUSINESS

An owner questioned getting an owner roster. Ashley Getty stated that due to privacy concerns an owner roster cannot be provided.

XIV. ADJOURNMENT

MOTION: A motion was duly made and seconded to adjourn the meeting at 1:20 p.m. and approved unanimously.

Leslie Eiser, Secretary Date

JB/jmf

mrs: 2017hoa

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Mountainside Resort at Stowe Page 1 of 4

November 12, 2017

MOUNTAINSIDE RESORT AT STOWE

BOARD OF DIRECTORS MEETING MINUTES

Tuesday, November 21, 2017

I. CALL TO ORDER/ROLL CALL

A duly noticed telephonic meeting was called order by Gene Brown at 7:32 p.m. The following persons were in attendance:

Board of Directors:

Gene Brown Phil Corrinet

Judith Waldert William Wright

Inge Brown Steve Edwards

Leslie Eiser Jim LaPlante

Robert Tomassetti

Vacation Resorts International and Management:

Joel Bourassa, Director of Resorts/VRI

Ashley Getty, General Manager

II. APPROVAL OF AGENDA

MOTION: Bob Tomasetti moved to approve the agenda as presented. Motion was seconded by Jim LaPlante and approved unanimously.

III. OLD BUSINESS

Detailed Billing Statements

Gene Brown distributed a scan of the new VRI detailed billing statements.

Power Outage and Storm Damage

Ashley Getty reviewed the damage after the recent storm which had wind gusts over 60 miles per hour. A few trees came down on property but no major damage was reported. The resort was without power for three days; however, guests were very understanding.

Whole Owner Contact List

Ashley Getty and Phil Corrinet discussed the early results of whole owners opting in to be put on a contact list to only be used for social event purposes. Several owners have opted in and efforts to grow the contact list are ongoing. Ashley will publish information regarding the contact list in future newsletters.

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Mountainside Resort at Stowe Page 2 of 4

November 12, 2017

IV. PRESIDENT'S REMARKS

Board President Gene Brown outlined his protocol for meetings:

Meeting Logistics will be as followed:

- o The President or Vice President will chair the meetings.
- o A VRI representative will transcribe the minutes which are subject to review by the Secretary.
- o The Secretary will record the Executive Session minutes.
- o Capture actions, assign owner(s) and dates.
- o Stay on topic.
- o No need to squelch creativity. For topics that run-on or exceed the scope of the agenda, it will be added to the "parking lot" for future discussion.
- o At the end of each meeting before adjourning, the "parking lot" items, actions and prompts for future meeting topics will be reviewed.

Role of the Board and General Manager

- o Policy – Board
- o Operations – General Manager

Decisions from previous Boards

- o To be used as a great source of information and provides context.
- o The Board is not bound by the decisions of the previous Board's or officers unless the decisions led to by-law changes, condo document changes or contractual obligations.

Judie Waldert stated that she would like to have estimated times for each agenda item added to future agendas.

V. COMMITTEES AND PROGRAMS

Guest Experience Committee

Chair: Inge Brown

Responsibilities:

- o Review Comment Cards, complete data and report at Board meetings.
- o Make suggestions on improvements that can enhance guest experiences.
- o Contribute to budget development.

Buildings and Grounds Committee

Co-Chairs: Bill Wright and Steve Edwards

Responsibilities:

- o Be an additional "set of eyes" at the resort. Report any findings that are in need of attention to the General Manager.
- o Provide input for how to prioritize improvement projects.
- o Contribute to budget development.
- o Collaborate with Owner Engagement and Business Outreach Committee on spring cleanup projects.

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Owner Engagement and Business Outreach Committee

Chair: Phil Corrinet

Responsibilities:

- o Members to be determined.
- o Organize social events for owners throughout the year and near the annual meeting.
- o Brainstorm ideas to enhance the brand image of the resort.
- o Contribute to budget development.

Steve Edwards and Bill Wright expressed interest in helping with the Owner Engagement and Business Outreach Committee.

Personnel Policy and Procedures Committee

Chair: Gene Brown

Responsibilities:

- o Members of this committee will be members of the Executive Board.
- o The objectives and annual review of the General Manager.
- o Escalation point for supervisors and staff.
- o The Board President is first point of contact.
- o Reviewing the employee handbook and making recommendations to the Board.
- o Contribute to budget development. (i.e. salary and benefits).

Rental Committee

Chair: Gene Brown (acting)

Responsibilities:

- o Members: Bob Tomasetti, Leslie Eiser, Bill Wright, Phil Corrinet, Mark Vandenberg, nominated/interested owners and Ashley Getty (or delegate).
- o Mission: All things rental, whole owner, timeshare, Rental Program, OTA's and collaboration with Guest Experience Committee. The scope of responsibility and the mission of the Committee will be further defined at future meetings.
- o Contribute to budget development.

Professional Services and Legal Committee

Chair: Gene Brown

Responsibilities:

- o Members: JudieWaldert, Steve Edwards, Leslie Eiser and BillWright.
- o Mission: Review and negotiate contractual obligations on behalf of the Board with input from the full Board.
- o Contribute to budget development.

All Committee Chairs should advise the president and Treasurer as early as possible if they are recommending the expenditure of any money for Committee purposes so that information can be included in the budget.

VI. NEW BUSINESS

A discussion was held on likely agenda items for the December 8, 2017 meeting.

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VII. EXECUTIVE SESSION

MOTION: Judie Waldert moved to adjourn to Executive Session at 8:15 p.m. Motion was seconded by Inge Brown and approved unanimously.

MOTION: Judie Waldert moved to return to the Regular Meeting at 9:00 p.m. Motion was seconded by Bob Tomasetti and approved unanimously.

Discussion was held regarding an extension of the Global Connections contract for 2019. The Board voted unanimously to extend the contract for 2019 and instructed General Manager Ashley Getty to execute the contact extension on behalf of the Board prior to the end of 2017.

VIII. ADJOURNMENT

MOTION: Inge Brown moved to adjourn the meeting at 9:00 p.m. Motion was seconded by Bill Wright and approved unanimously.

Stephen Edwards, Secretary Date

JB/jmf

mrs: 112117min