BMOA Minutes

09/24/16

Witherall Room

Burke Mountain Lodge

Commenced by Tom Bledsoe, President of BMOA, at 4:10 - (roughly 125 people representing 73 units/lots in attendance)

1. Background by Tom on BMOA History and Purpose

BMOA was created in 1983 by Doug Kitchel, resort owner/operator in 1970's -- Kitchel had a plan for the lower mountain with housing, common and open space, all set forth in the covenants and restrictions -- strong covenants give owners a real say on how the land is maintained and used. Kitchel essentially established a partnership between the owner/developer of the mountain, and the future owners of land and homes. The Declarations establishing and underlying the new community were created in 1970 anticipated housing development – but there was not much there in early 1970's ,no academy, no condos. These master covenants are incorporated into all the owners deeds. The condo associations have their own covenants that relate to their own properties, but all reference and are bound by the master covenant established by Kitchel. Individual homes in the development area also reference the master covenants. They are binding and run with the land.

Kitchel created BMOA to be the owners association for the community and to maintain oversight of common areas, common lands access to rails, water, sewer, roads. The purpose of BMOA was to be a guide to ensure compliance with CCR and joint decisions made through BMOA.

This arrangement worked for a long while but fell apart in 2001 – mountain ownership had gone through bankruptcies and lots of owners. By that time, BMOA had become intertwined with another, separate organization established by Mike Moylan – confusingly called the Burke Mountain **Condominium** Owners Assn (BMCOA). This new group was a service organization for the condos for joint buying, insurance and property maintenance. Similar name, except for Condominium in the title, but actually a completely separate organization legally from BMOA with no role in covenants. It all fell apart in 2001 after disputes between Moylan and the condo associations about property management. When BMCOA dissolved, it took BMOA down with it.

Tom and Mountain Brook Condo Association, of which he was then president, worked with the other condo associations on the mountain to reinstitute BMOA to give a strong voice for all the condo and single family owners and BMA in dealing with the owner of the resort

The leaders met with Ary Quiros to explain their plans for reinstatement, but he was suspect about the role and the covenants. BMOA then had an owners meeting on February 14 attended by more than 100 people (plus proxies) and elected a new board and officers. When the receivership and a new leadership group was appointed, BMOA met with Steve Olson and Steve Scherer and their team from Leisure Hotel and Resort; all were eager to work together and build a good relationship

Here today now for the second owners meeting, this time with the mountain as a partner.

2. Steve, Steve, Kevin Mack and Jason Lefebvre from Leisure and Burke

Steve Olson; CEO of Leisure Hotels and Resorts:

Leisure operates Burke and Jay and can solve 80 percent of the problems; balance go to Attorney Michael Goldberg, the receiver

We do hotels and resorts -- discussed his role to be "mending fences" and "Service Industry, how can we fix it" vs. prior owner’s approach which was "I'll shoot you, you're dead."

Doesn’t know how long Leisure will be here – sale of mountain is unlikely in near future -- He expects that the earliest a sale could occur is Next Summer 2017 or fall 2017 Still issues with mountain, snow making, parking, legal issues to get resolved first to generate a good buyer, not just any buyer

Chinese investors through the EB5 program may be a potential buyer but didn’t think it very likely given how disparate the group is.

Leisure first tried to identify issues and problems; met with BMOA, Academy, CoC, Friends of Burke - have good relations now

Steve listed Accomplishments so far:

* + Snow making fix
  + T-Bar implementation with BMA
  + New Groomer
  + Ski in/ski out done (except High Meadows Condos)
  + Got Hotel Open and operational
  + Got $500k marketing budget implemented just for Burke
  + HR/Accounting moved to Jay
  + Jay technicians got Burke Chair operational and inspected
  + Hotel is selling out on the weekends
  + Hotel midweek is doing well 2-3 days
  + They are still finding money in accounts and thus able to keep getting that money allocated to Burke to keep going with initiatives
  + The goal of the receiver is to establish a clean asset for sale

Jason Lefebvre: in charge of mountain operations

Snowmaking: used to have 5 diesel generators; now adding two electric generators (rented) - 1800 CFM plus 4000 GFM = 6000 GFM's; good with our towers - may not need all the generators -- can make snow at warmer temperatures -- starting 11/1, earlier if it gets colder -- Prime temp for snow making 27 degrees, 16 degrees too cold – freezes; rebuilding the pump and will be more efficient (a total of three pumps) -- replacing 1000' of pipe along Binney Lane and Little Dipper; should be delivered next week and will start installation ASAP - bought new energy efficient snow guns; buying 15 more towers (like on the training hill, moveable)

some discussion/concern about low natural water table/levels due to lack of rain/drought; priority for early season snowmaking will be to get top to bottom skiing on Willoughby, Bear Den and the lower Racing trail-then the lower mountain trails; some discussion re the old chairlift and Jason said it has passed most State inspections and can be operated if necessary as a back-up lift in high wind conditions (mentioning Jon Worth/Ski Patrol director’s input re wind/wind meter, etc.,

* don't use the well water for snow making
* old lift can be used in the event of high winds; patrol director and I will decide whether to close the Mid Burke lift
* got permit for night skiing but no plan to implement it
* hope to open on Thanksgiving
* will start making snow on lower training hill, then move on
* ski in/ski out: problem is ski back to High Meadows, otherwise will be grooming the others and maintaining the ski backs

Steve Scherer; Regional Director of Operations for Leisure

* Kevin Mack oversees hotel operations - hotel is open, hotel is full this weekend

Kevin Mack - director of resort services

* Kevin and Jason work for Burke, not Jay, but are now on the Jay payroll for efficiency purposes-
* Bear's Den will be opened, regular hours (soup and panini's not cafeteria); Tamarack too with limited hours
* 300-400 employees including ski school (60-70) -- looking at daycare, shuttle service
* there will be membership option for the hotel's gym to the condo and SF owners

Tom: We have had some discussions with Leisure about the hotel being willing to handle condo reservations and overflow

Steve Olson: We have done that at other properties and are open to it here, but will have to wait to consider this until we first get the hotel and mountain fully functioning and operational. Something for the future. Can work out well for both parties.

3. water/sewer/roads

Tom: We, the owners, we pay for these services; owners have a role in setting fees and direction -- BMOA stipulated to be escrow agent for PSB with water and sewer reserve money;

we need to sort out all the finance and fees issues and maintenance issues

Rick Griffith: The fees haven't changed in five years; I reached out to finance director at Jay, told her she needs to get involved in this -- we need to communicate, decide what we need for reserves

Jason: well 3 failed with broken line and bad power feed; now working - well 2 runs fine - well 1 hadn't run since mid-March; pump appears to be stuck (625' deep); drilled a new well 25-30' away, 90'of casing, went down 550', got good water but maybe only 10 gpm during pump down testing, looking to get 50 gpm; resort manages the system, funding comes from owners

Tom : we need to sort out who pays how much and in what proportions -- there's a company that's supposed to be roads, water and sewer and sets the fees -- need to look into this and get it organized (ie, should this be a BMOA function?)

Steve: think that resort has been putting funds into the escrow account, not sure, but will look into it

4. Q and A session

Is Burke Mgmt. reaching out to current Burke condo/home owner families re new hires for the season?  Where are ad dollars being spent?  Is Burke working with ad professionals in Boston, Hartford NYC and Montreal markets? Are there permits for night skiing?  Can unit owner and condo/water fee payments be streamlined for better on-line payments?  Will an Architectural Review Committee be revived?

Can Burke be sold separately from Jay Peak, or are the two resorts a package now and in the future?  How does the SEC and on-going federal investigation affect the future sale of Burke?  Does Burke have the funds to make extra snow during peak Christmas season to attract and keep skiers coming back for repeat visits later in the ski season?

5. organizational issues

Tom: all owners in the designated area are members: condo and lot owners are members, so too Academy and owner of Mountain

* Academy wants to be active member
* Leisure Hotel and Resort, on behalf of the owner of mountain, would like to be an active member of BMOA as well
* there are 9 directors (from each condo assn, plus two homeowners)
* BMOA wants to add Academy and mountain owner -- will do that at next meeting as a bylaws amendment

Mark Manikin; single family owner and treasurer of BMOA

* finances: collected money so far from former administration of BMOA, Powderhorn, Mountain Brook and Spruce Wood have paid = 9200+
* billing though the associations ($75/unit) plus 28 lot owners

Chrissie Heinrich; single family owner and board member

* homeowners and landowners had a meeting and are working on how they fit in – planning to reconstitute the Home and Landowners Association

Tom:

will need to look at the bylaws and the covenants – many details and provisions that were approved more than 30 years ago might need to be revised. Do we want to continue the architectural review committee, for example, which was supposed to be operating according to the CCR. Planning on two meeting per year

invited all attendees to a reception in the Willoughby Lounge, hosted by Leisure, after the meeting.

adjourn at 5:41