



GREAT HAWK OWNERS' ASSOCIATION NEWSLETTER

October 2011



www.greathawk.org

Board of Directors

Office	Name	Term Ends
President	Mark Kassop	2012
Vice President	Norm Christiansen	2013
Treasurer	Michael Schlenker	2013
Secretary	Barbara Shenton	2012
Other	Paul Gillis	2012
Other	Deanna Campbell	2013
Other	Nick King	2012

The Board of Directors elected officers following the Annual Meeting.

Committees

Committee	Chairpersons in Bold
Sewer	Paul Gillis Frank Campbell Norm Christiansen
Treasurer	Michael Schlenker
Water	Nick King
Architectural Review Board	Mark Kassop Deanna Campbell Barbara Shenton
Tennis	Deanna Campbell Scott Lee
Common Land	Norm Christiansen Michael Schlenker
Trails	Mark Kassop

GHOA General Information

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Office Hours	Wed. 9:30am - 10:30am
Administrative Assistant	Caroline Meagher
Website	www.greathawk.org
Webmaster	Norm Christiansen

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Message from GHOA President Mark Kassop

The defining event of the 2010-2011 year for Great Hawk and the surrounding community and state was the impact of Tropical Storm Irene, which hit the community on August 28, 2011 -- a week after our 2011 Annual Meeting. According to some news reports, we had an unexpected 9-12 inches of rain in a short period of time. Many Vermont towns, including Rochester, are located in valleys with a river running through them. The rain washed down the mountainsides on either side of Rochester and into town and the rivers quickly swelled. Rivers that we used for tubing the week before Irene that caused us to get out of our tube to walk through very shallow areas became raging rivers with waters that went several feet above the height of the bridge at the intersection of routes 100 and 73 and washed that bridge away. Bridges at the north end of town collapsed, homes in town were washed-away or devastated by the flood conditions, and roads throughout the area were eroded, broken, washed away and no longer capable of supporting automobile traffic. Similar conditions existed throughout the White River Valley.

However, despite the magnitude of the storm and the destruction that it left in

its path, the citizens of Rochester and the more than 60 Great Hawk residents who witnessed the storm demonstrated amazing resilience, cooperation, camaraderie, and hard work that took a very dangerous situation and made it manageable in a very short period of time. Four Board members (Campbell, Christiansen, Gillis, Shenton), Frank Campbell, and family members and friends of the Board who were at Great Hawk for the storm were all trapped in the community for a week. We made everyone aware of town meetings that were designed for Rochester residents on the west side of route 100, filled prescriptions, checked on the integrity of all homes and whether there was any water damage, sawed-up trees in the roads, checked daily on the well-being of older members of the community, and notified residents of the availability of food, water, medical care, etc.

I personally want to thank the Board members and their family and friends, who kept Great Hawk residents safe and informed during the days after Irene hit. They did what I have come to expect from them: they put the community and its members at the top of their priority list. They worked from early morning to late at night. They were always ready and quickly took action when needed. As always, it was a pleasure to be working



Photo: B. Shenton

Flood waters during Tropical Storm Irene demolished the town's tennis courts. Thanks to the collaborative work of Board members Deanna Campbell and Norm Christiansen and Rochester resident Cynthia Fowles, this tennis gathering and potluck took place Sunday, September 18th at our beautiful courts open to all the town. Also thanks to Great Hawk residents the Yellands and Brooks, who helped shuttling players to and from the Rt. 73 footbridge!

with each of them. The four Board members who were in the community, and the two who were not (King and Schlenker) have worked hard throughout the year to make Great Hawk the beautiful and tranquil community that brought us here in the first place. When you get a chance, thank each of them for what they have done for all of us over the last several years.

I look forward to my 5th year as the President of GHOA. If at any time you need the assistance of the Board or if you have suggestions or comments, please contact me at **DrMSK47@yahoo.com**. In the meantime, please help us to protect the clean, peaceful, and beautiful wooded environment in which we live by adhering to our covenants and by-laws (available on our web site: <http://www.greathawk.org>). ENJOY OUR BEAUTIFUL, SERENE MOUNTAIN COMMUNITY TO ITS FULLEST!

Relief For Rochester Vermont:

A few weeks ago we sent an email or snail mail letter to all of you that explained the destruction that Tropical Storm Irene produced in Rochester, the White River Valley and numerous other sections of the state. At that time we asked you to demonstrate your typical generosity by making a donation to "Relief for Rochester, Vermont." It is not too late to make a tax deductible gift that will be used exclusively to help the town of Rochester, its citizens and store owners recover from the storm. Your gift may be submitted in the following two ways:

- Send a check made out to "Relief for Rochester Vermont" to GHOA, P.O. Box 315, Rochester, VT 05767. This charity has been established by the Federated Church of Rochester, Vermont and it is a 501(c)(3) organization, which means that your contribution will be tax deductible. We would like you to contribute in this manner because we think that it would be good for the Town of Rochester to see how much the

owners at Great Hawk care about the community. The church will send you a response thanking you for your donation for tax purposes.

- Alternatively, we understand that some of you may want to contribute directly to the Federated Church. In this instance, please send a check made out to "Relief for Rochester Vermont" to Relief for Rochester Vermont, c/o The Town of Rochester, P.O. Box 238, Rochester, Vermont 05767.

Special Rochester Donation:

Many GHOA members have made very generous donations to one of the Rochester post-Irene funds. We are asking you to make an additional, **NON-TAX DEDUCTIBLE** donation. Our office secretary in Rochester, Caroline Meagher, still has her severely damaged house in town because the house next door collapsed and diverted a lot of the water around her family's house. Nevertheless, Caroline and her family do not have insurance and will not be receiving FEMA funds. We would like our GHOA community to show our concern for someone who has been a trustworthy, hard working and affable assistant for us for many years. The Meagher's may need a new furnace, and they need a new hot water heater, a washer, dryer and freezer, sheet rocking and re-wiring of the house. Please send this special donation made out to GHOA (P.O. Box 315 Rochester, VT 05767) with a note that it is to be used for the Meagher family relief fund. Thank you!



Dogs @ Great Hawk:

We have received numerous, justifiable complaints from Great Hawk homeowners throughout the year that have focused on dogs barking at all hours of the day and night. These dogs have woken people up in the morning and destroyed the tranquility of the mountain; a reason that many residents stay in their Hawk houses. It is against

Great Hawk and Rochester policies to have dogs roaming freely and unattended in the community and unattended dogs that are left alone and consistently barking are against the policies. Great Hawk is dog friendly and we often see owners walking their dogs throughout the community, but dogs need to be good citizens and adhere to community standards. In addition, dogs running loose after snowstorms create unsafe conditions for themselves and drivers on icy, slippery mountain roads. Thank you!

Driving @ Great Hawk:

We placed additional road signs at Great Hawk this year to try and ensure that drivers would adhere to the town speed limits. The town speed limit for dirt roads is 30 mph and on the extremely steep section of our community on Upper Sparrow Hawk Road and the section of the road near the playground, pond and tennis courts we would ask drivers to limit their speed to 20 mph. Please drive slowly through Great Hawk and be vigilant of others using the roads and move to the right when approaching cars, children, pets and other pedestrians! We have asked contractors to adhere to these speed limits, but it wouldn't hurt if you gave them a gentle reminder!



Architectural Review Board:

I heard a comment several times this year that sounded very strange to me. The comment essentially said, "Great Hawk homes are getting old and no one is upgrading the quality of their houses." As the Chair of the ARB for the last several years, I asked the other ARB members and the other Board members what they thought about the comment and they were incredulous. Yes, there are some Great Hawk homes – not many – that have not been used or maintained for several years. However, we rule on numerous home upgrade plans that go from putting a new roof on a house or painting the outside to major

the courts, which is filled with silt and needs to be cleaned out and worked on to better deal with heavy rains and snow melt. Lastly, the town's tennis courts were totally destroyed during Irene. To help town residents get their minds off all the devastation and in coordination with the town's recreation department, we invited tennis players to come up - by "shuttle" from the Rt. 73 footbridge - to play on our courts once a week.

Welcome New Owners

Lot T49 - Michael and Christine Hammerstone of Bloomsbury NJ, Lot 6 - Anne and Thomas Grillo of Aiken SC, Lot 53 - Sharyon and Gregory Holness of East Hampton, CT, and Lot 84 - Virginia and David Eberly of Swarthmore, PA.

Common Interest

Ownership Community:

According to Vermont state laws, Great Hawk is a Common Interest Ownership community and legislation that pertains to our type of community changes as of 1/1/2012. The State has decided that many of the policies that apply to the town's Select Board and other governmental groups apply to us, as well. A major goal of the new legislation is to make our actions transparent. Thus, agendas for our Board meetings (we tend to have only 3 or 4 a year and most of them are during the summer) will be posted on the Great Hawk website at least two weeks before a meeting will be held. The minutes of those meetings will be posted on the site, too, no later than two weeks after the meeting and they will be password protected, as the site is available for anyone to access. The password will be: HawkMinutes. If you want to "attend" a board meeting via a conference call, you will need to notify the Board secretary at barbara@bshenton.com at least 72 hours before the start of the meeting for connection information. If you do not have access to a computer and you want any of the above information, you will need to contact Great Hawk at our town office (GHOA, P.O. Box 315, Rochester, VT 05767) and the agenda and/or minutes will be sent to you via snail mail and access to the meeting will be

available by contacting the Board secretary by telephone 802-767-3601. This is a new process, if it does not work effectively, we will make changes in future years until everyone is satisfied.



Office News

This newsletter marks our fourth year of communicating with most members by e-mail. If you receive a copy of this via US Postal Service this means we need your e-mail address or the e-mail address on file is not up to date. Please notify us by e-mail at: ghoa@myfairpoint.net so we may update your information accordingly in our database. Thanks to this method, we have been able to keep our postage expenses down significantly.

The official address of your home is the 911 number plus road. The lot number on your deed is used for your home sign only. The association makes new signs for each new owner. If long time residents have signs which are no longer readable, replacements are at the owner's expense. New owners should contact Michael Schlenker for the wording on their sign which should be consistent with the ARB guidelines.



Photo: Evelina Zemelma

Life at Great Hawk

We always welcome photography submitted by owners that they wish to share with the community. Evelina Zemelma sent along these photos she took from her home and with it a story about the woodpecker on the hummingbird feeder:



Photo: Evelina Zemelma

"Every day we watch hummingbirds fighting around the feeder hanging from a little balcony right in front of our dining room windows. Why cannot they just share sweet syrup?! To make it worse there is a steady stream of ants crawling all over the feeder. Hummingbirds don't like that and often fly away. For a long time we tried, but could not stop the ants. Then, on one beautiful morning, there was a little woodpecker seeking a way to land on the bright red feeder. It soon succeeded - and started eating the offending ants! And so it became a routine: several times a day the same bird comes to feed on ants. We kept praising the ways of nature, until something strange happened: the bird seemed to ...drink the syrup! Is it possible? By now, the bird is still coming daily and became quite skillful in clutching to the feeder. Sometimes the force of the woodpecker's landing starts violent spinning - but the bird sits there calmly clutching at the feeder and waiting for it to stop. We tried to scare the woodpecker, but he is smart and determined - so we gave up."

Thank you Evelina for sharing your experiences here at Great Hawk. We hope other owners will share their experiences in the future. Our website is always looking for photos to share with the community. Contact our webmaster, Norm Christiansen at norm@tfish.net if you have any photos or stories to share.



G R E A T H A W K
OWNERS' ASSOCIATION

GREAT HAWK OWNERS' ASSOCIATION 42nd ANNUAL MEMBERSHIP MEETING
Saturday, August 20, 2011 • Pierce Hall Community Center, Rochester, Vermont

Call to Order - GHOA President Mark Kassop called the meeting to order at 10:15 AM. He welcomed everyone and discussed how the meeting moved to an earlier time to allow for people to enjoy their day in Vermont. He introduced all of the board present - Paul Gillis, Deanna Campbell, Nick King, Norm Christiansen and Barbara Shenton. Next he had the audience introduce themselves; new owners introduced themselves first, then other owners. Proxies were counted with 46 by mail and 20 home/lot owners present for the meeting

Approval of 2010 Annual GHOA Meeting Minutes

- The minutes were motioned and seconded to be approved as published.

Election of Three Board Members each to serve a term of 2 years – With no nominations from the floor, there was a motion to nominate Deanna Campbell, Norm Christiansen and Michael Schlenker to two years of service. The motion was seconded and Barbara as secretary cast her vote for all the nominations.

Officer and Committee Reports

Cooperative Water System - (Presentation by Nick):

In the preceding FY, we spent \$4174.77 on electricity, \$34,208.44 on maintenance and repairs and \$250.00 other expenses. This represents a total of \$38,637.20, a substantial increase over the past two years' expenses.

The reasons for this increase are twofold. First, increased energy costs from CVPS added approximately 20% to our energy bill. Second, in addition to regular maintenance, we had one major unexpected expense. On April 9th, I was informed that the well for System #12 had stopped producing enough water. This well services 4 homes, including that of one full-time resident. We determined that the well was no longer functional and we would have to drill a new one. This turned out to be an extremely time-consuming, complex, and costly job, requiring construction of a gravel pad for drilling equipment, special permits from the town to bring heavy equipment up the access road, and drilling unusually deep. This work was completed on April 29th. In the interim, fresh water was trucked in on a regular basis to ensure a steady supply for the permanent resident. Hawk North's Jim Hybl – who has been working on the GHOA water system for more than a decade – told me that it was "the most difficult situation that I

personally have had to deal with in many years working with GHCWS." As a result, the cost was more than \$25,000. This was despite Hawk North reducing their standard fee, and issuing a credit when I questioned what I thought were unnecessarily high costs.

The costs for this project more than wiped out the entire GHOA CWS account balance. Luckily, Mark and Michael have instituted a GHOA-wide emergency fund, from which we borrowed \$20,000, which covered all expenses. We have agreed to pay back the emergency fund as soon as possible.

The end result is that our expenses in the past year amounted to approximately \$575 per home, considerably higher than the previous annual dues of \$300 per home. In order to cover these costs, we have raised this year's annual dues to \$600 per home. Barring any unusual expenses in FY2012, I expect a reduction in dues next year.

Common Lands - (Presentation by Norm): Norm reported that new signage to slow down (4) has been installed in the community and playground signs were installed by the town, though one was stolen and the stop sign was replaced at the bottom of Great Hawk Road, as the original stop sign was stolen. Cleaning branches that hang into the road will happen this fall and there will be a chip off at the beginning of June in 2012. Improvements for 2012 include a new standpipe being added to the pond to help keep the water cleaner, as the new intake has helped with water flow and keeping algae levels down. There will also be a trench dug behind the playground to deal with the water that runs off in that area to channel it towards the woods. Norm then turned the discussion of trails onto Mark.

Hiking Trails - (Presentation by Mark): Mark spoke about the two loop trails in the community that he has been maintaining with Frank Campbell. Owners may get a copy of the map from the GHOA website or by contacting the GHOA office.

Lot 102: Common Land - (Presentation by Mark) Two years ago the Town Listers, who assess the value of homes and properties in Rochester, determined that our common lands, including Lot 102, that are owned by the Association was valuable property and that the town should be taxing us on the land. The town taxed us in excess of \$4000 on our common lands last year – the first time that these lands had ever been taxed.

These taxes had to be divided up and paid by all of the homeowners in Great Hawk. We grieved these taxes to the Listers and the Listers modified the tax bill by eliminating the tax on all of our common lands, except for Lot 102, saving us in excess of \$3000 per year.

We went to a second grievance committee meeting with the Listers that was unproductive, as the Town questioned whether Lot 102 was really common land, as there is no statement in the deed to that effect.

So we went to the next level of the grievance process, which was the Board of Civil Authority; a group that is composed of all of the Listers, all of the members of the Selectboard that governs the town, and several local justices of the peace. As part of the presentation that Association President Mark Kassop made with the assistance of our attorney, we presented minutes from our Annual Meeting and Minutes from the Selectboard from 1996, when Lot 102 was deeded to the Association. The minutes of the August 24, 1996 annual meeting reported that:

“The Town of Rochester has offered to donate lot 102 as common land with no offer to pay off delinquent fees to GHOA. The Upper Sparrow Hawk Road Committee on August 3rd voted to accept this Town offer and to refer it to the Annual Meeting. Jeff Steinkamp felt the bottom of the property might be usable in connection with a potential hiking trail on common land just below and adjoining the lot. A motion was made and seconded to accept this lot as common land subject to a satisfactory report. The question was called and the motion carried by a vast majority.”

Article II of our By-Laws includes the following statement:

“Common Lands”: Such lands as are delineated on the Great Hawk Colony Plan other than the numbered building lots delineated thereon, as shall hereafter be conveyed by Great Hawk Corporation or its successors to the Association as contemplated by Section 14 of the Amended Protective Covenants, and being the “Common Land” referred to in that section and Section 13 of the Amended Protective Covenants, and also such other additional lands as the Association shall hereinafter acquire for the mutual and common benefit of the Members of the Association.”

Thus, the By-Laws give the community the right to add additional properties to our common lands and all that is required to do that is a vote of the membership at the annual meeting in favor of that action. That vote and action were taken in 1996 and, in fact, the land has been common land ever since.

Arguing whether Lot 102 is common land is a moot point. We have been advised by counsel (see the

attachment to these minutes - This 17 page document has been sent to all homeowners and to all lot owners for whom we have an email address. If a lot owner, who has not supplied us with an email address, wants a copy of this document, please leave a message on our office answering machine – 802-767-3601 and we will promptly send it to you via USPS.) that the Board has the right to add to the amount of common land in the community, according to our By-Laws. Lot 102 was given to the community as common land in 1996-1997 and that is clearly indicated in the minutes of the annual meetings in 1996 and 1997.

We have treated the land as common land since that time and the town has treated it as common land, as well, which is why we were never taxed on the land, which has a zero (\$0) value.

According to VT state law, there is a window of opportunity to challenge that decision of 6 years and that time period expired many years ago. Our position has now been supported by the Rochester Board of Civil Authority (BCA), which believes that their intent and our intent, according to the Selectboard and GHOA minutes, was to have the lot treated as common land. Furthermore, the BCA agrees that the vote by the membership in 1996 that followed the community covenants and By-Laws was the action that needed to be taken to make the Lot common land.

Although it would have been neater to have the deed changed that is not a necessity.

A member of the community, who is a lawyer, spoke about Lot 102 and indicated complete support for the position taken by the Great Hawk lawyer, (whose thoughts are attached to this document).

Another owner expressed concern about the legal expenses that the community has had to pay with respect to the Lot 102 issue and other matters.

The Chair noted that the Board had reviewed the circumstances that gave rise to the need for legal services and was satisfied that the legal services were necessary to eliminate the Town tax assessments on the common land and to avoid potential costs and risk to the Association as a whole, and not just to certain lot owners, arising out of what had been a confusing, complicated, inconsistent and often contradictory management structure of the Great Hawk common wastewater disposal system that the Association had inherited from Great Hawk Corporation and Hawk Mountain Corporation, the original developers of the Great Hawk Colony. As a result, all community members were asked to financially support our legal actions in this matter. This position was supported by statements made by our legal counsel (see the attachment) and by the lawyers who are members of the community who had read all of the relevant documents.

Because the issue of whether Lot 102 was common land had been resolved as a result of the 1996 vote of the Association members approving the acquisition of Lot 102 as common land the Chair asked for the membership to table the vote on amending the Lot 102 deed. A motion to table was made, seconded and unanimously approved (no negative votes and no abstentions).

Architectural Review Board (ARB) – (Presentation by Mark): The ARB has received many applications for external home upgrading this year – which “flies in the face of” the occasionally heard “rural legend” that Great Hawk homes are not being maintained. Home upgrades of all types have occurred throughout the community in the last year, as has been the case in each of the four years that I have been Chair of the ARB. Roofs, walkways, trees (removal and planting), house additions and many other outside jobs continue to take place and this does not include all of the internal work that does not come to the direct attention of the ARB.

The ARB, as always, wishes to remind members that according to our By-laws and Covenants, all work done on the outside of your home must be approved by the ARB and you must submit the ARB form with your application for work. We had the need this year to look at old community annual meeting minutes from the mid-1990s and it did not surprise us to see a statement made by the Chair of the ARB at that time that nearly 100% of all requests for external work were approved and the same high rate of approval is still true. Most Great Hawk residents know what our community's standards are and want to maintain the character of the community as they found it. As a result, by the time that ARB forms come to us, they reflect the standards of the community and our approval rates remain high. Thank you for your cooperation.

Tennis - (Presentation by Deanna) : The courts have been holding up well. Deanna and Frank have been using a fill for small areas that there have been cracks. One of the nets is more difficult to install and Deanna is looking into options to fix this problem. In collaboration with Great Hawk and the Rochester Recreation Department, for a few weeks this summer, the courts hosted Rochester town players, as the town courts were being fixed.

Upper Sparrow Hawk Road (private road) - (Presentation by Frank Campbell, USHR Chair): The Upper Sparrow Hawk Road homeowners met this morning and voted on assessments. They were able to lower their road assessment fee for the upcoming year by \$50.00 per lot. Fee now stands at 1000.00. As a committee, Frank is remaining the chair and Arthur Jacobs is secretary and Holly Gunner has taken over as treasurer.

GHOA Website - (Presentation by Norm) : ghoa.org

has the documents owners need and will be getting an update to comply with new VT laws in 2012.

Secretary's Report - (Presentation by Barbara): The Board Secretary reported that the office is open on Wednesday mornings for members to contact Office Manager Caroline Meagher to aid them with needs and questions. The GHOA website has many answers for owners too. The fall newsletter, which will contain these annual meeting minutes, will be e-mailed out to as many of the owners as possible. Please keep the office up to date with your e-mail address so we can keep mailing costs down.

Sewer System - (Presentation by Paul):

The Great Hawk Community has 30 homes connected to 3 different waste water collection systems; the Mountain Top systems which serves 2 homes, the Great Hawk system which serves 21 homes and the Martin Tarbett system which serves 7.

Septic tanks are our first line of defense for the collection systems and improving the quality of effluence that leaves our tanks improves the health of the whole system. 2012 will be a busy year for cleaning septic tanks in our community. Frank Campbell keeps track of the cleaning schedule, so if you receive a reminder from Frank to have your tank cleaned please schedule to have it done. The leach fields in our communities are the only ones we have and an ounce of prevention is worth a pound of cure.

The waste water collection systems in the community are in great shape this year. The Sewer Policy that was adopted in May 2010 removes the risk of the Great Hawk system being oversubscribed and I am now able to focus my time and energy on maintenance issues pertaining to the 3 collection systems rather than the legal issues pertaining to the Great Hawk system. I am glad and relieved to have that problem behind us.

At the annual meeting last year I discussed the installation of a large settling chamber for the Great Hawk system that would increase the quality of the effluence entering the leach field. The final estimate came in much higher than what was previously discussed so we began to focus our efforts on smaller items that have been on the “to do” list for some time.

Last fall we had the ground cover over the sewer lines that run through our community cleared of brush and debris. It's important to ensure that roots of trees and plants do not interfere with the underground collection lines. We also cleaned out and installed channels in 5 manholes on the Great Hawk system. This reduces the amount of infiltration that enters the system via the manholes as the effluence quickly travels through a manhole rather than collecting inside with sludge and algae. Cement was installed over a shallow pipe that crosses under Great Hawk Road and the alarm system

on the “D” branch pump station was finally fixed after many years of trying to get that done. The alarm sounded and called our contractor after the power was restored after Irene as it was designed to do.

This year’s list of tasks include installing a new dousing system for the Martin Tarbett field, addressing several small maintenance issues pertaining to manholes on the Great Hawk system and having the brush cut over the Mountain Top leach field. We will also be looking into having effluent filters installed in out-flow side of septic tanks connected to the systems. The installation of these filters may be incorporated into your scheduled tank cleaning. Many of the newer plastic tanks already have these filters installed so the older cement tanks may be retro fitted with outflow filters. We will also be looking into marking the manholes in the community so they can easily be found and identified during our annual inspections. The permit for the Great Hawk collection system is up for renewal as well.

Treasurer’s Report - (Presentation by Mark - filling in for Treasurer Michael Schlenker): The budget, including 2011-2012 assessments, was approved by voice vote of members present, after a brief review of the documents with the membership. There are several members who are slightly in arrears in their payments to the association and they have been notified and there is one member who is seriously in arrears and a lien has been placed on her house. The general assessment will go down by \$200 this year for homeowners and \$20 for lot owners, as we expect legal fees to decrease, while common land expenses will go up to allow for a chip off, improvements in the outtake of the pond and drainage of the field near the tennis courts. We also expect a repayment of a portion of the loan made to the water system and we will no longer be paying taxes on our common land due to our successful legal actions.

Old Business - (Presentation by Mark): Mark addressed the sad fact that unfortunately there have been various forms of vandalism in the community. Signs, firewood and bicycles that have been stolen and sheds broken into. The town and local constable and state troopers only provided limited assistance with these issues. A suggestion of installing surveillance cameras was made, but Mark addressed the shortcomings that the board found with them as we had discussed the issue in the past. Drive at slow speeds in the community as there are more homes with children in the community and many owners use the roads as hiking trails– 30 mph is the town road speed and Mark recommended even slower speeds.

New Business - (Presentations by Mark):

Common Interest Ownership Communities – Vermont’s legislature has just passed a revision to the Common Interest Ownership Act, which goes into

effect on January 1, 2012. Although this act is primarily aimed at condominium complexes, it will have a direct bearing on Great Hawk and similar communities. Essentially, it indicates that our community’s board is similar to the Selectboard that governs our town and that we should follow similar rules. We are already in compliance with many of those rules and we are working with our legal counsel to ensure that we are in compliance with all of the rules by the first of the year. The most obvious modifications that we will have to make focus on concern “transparency.” That is, our meetings need to be open. Thus, we will post the agenda of our Board meetings (we only have a few of them each year) on our web site and make them available upon request to those members who do not have Internet access. We will make it possible for all community members to “attend” Board meetings, if they are interested, and we will post the minutes of our meetings on our web site in a password protected location and, once again, mail them to members who do not have access to the Internet. Our fall newsletter will include more detailed information about the agenda, attending the meetings and the minutes and we will make modifications, if necessary, to ensure that those who want this kind of information have access to it. Barbara Shenton and I have already been to a meeting explaining this new law and its impact and Norm Christiansen and I are about to attend another meeting featuring our community’s lawyer, who will be one of the primary presenters.

New Road Name – Almost all of the roads in the community are named after trees or birds of prey. 4 homes have the address of “Access Road” in their address and one of the owners on this road asked if the road name could be changed. Mark inquired at the Town office about the process to change a road name and believes that it can be done. More investigation is needed though. Suggested road names include Aspen Hill, Hemlock Hill and Birch Hill.

Barking Dogs – There are a number of homeowners with dogs that bark for long periods of time when left outside. Mark said we would contact these owners about this problem and the complaints we have received from many owners about the noise and ask that they control their dogs to abide by the town and Great Hawk rules.

Meeting Adjournment – The next meeting date was set for August 18, 2012. The meeting was motioned to adjourn and Dick Weden made a motion to thank the Board for all their work and effort to protect and preserve our community. Members present then moved onto the Pumpkin Patch for the barbeque reception.

Shannon A. Bertrand
John A. Facey, III
James P. W. Goss
Hans G. Huessy
A. Jay Kenlan
Rodney E. McPhee
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August 18, 2011

Mark Kassop, President
Great Hawk Owners Association, Inc.
12 Montrose Terrace
Allendale, NH 07401

Re: Great Hawk Owners Meeting – August 20, 2011 || KSF&G File No.: 5497-301

Dear Mark:

I am writing in response to your request that I provide you with my analysis of certain issues that you feel may need to be addressed at the Great Hawk Owners Association meeting this coming Saturday.

- **Legal Fees Incurred for Development of Community Sewer System Policies:** A question has been raised about the general assessment of legal fees incurred by the Association in connection with the analysis of the documentation, structure, history, and administrative responsibility for the Great Hawk community wastewater treatment system and the development of policies that would more clearly define the rights and responsibilities of the Association, the Great Hawk lot owners, generally, and the Great Hawk lot owners served by the community wastewater treatment system. There were essentially five components of the analysis:
 - Review and analysis of background documents including the 1972 Sewer System Agreement, the 1992 Facilities Deed by which Hawk Mountain Corporation (formerly Great Hawk Corporation) transferred to the Association the community wastewater treatment system and the rights and responsibilities for its administration, and the Covenants and Bylaws of the Association.
 - Review and analysis of the various deeds conveying Great Hawk lots with and without sewer rights, and the documents of record that purported to grant sewer rights to certain Great Hawk lot owners.

- Review and analysis of existing permits and approvals for the Great Hawk Colony including indirect discharge permits and engineering analysis.
- Assessment of past practices and procedures of both the Association and Great Hawk lot owners with respect to both the community wastewater treatment system and on-site wastewater disposal systems.
- Evaluation of responsibilities of and risks incurred by the Association in the assignment of sewer connection rights and the administration and operation of the community wastewater treatment system and the common areas.

As we worked with you and Paul Gillis to conduct our analysis it became evident that certain past practices were inconsistent and, in some cases, appeared to be contrary to the documents as written, resulting in considerable confusion and potential risk of liability to the Association if the Association continued to administer the community wastewater treatment system as Great Hawk Corporation, Hawk Mountain Corporation and the Association had in the past. We were concerned that some of these actions and inconsistencies could place the Association at risk and that, to serve and protect the interests of all Great Hawk lot owners, a comprehensive and consistent restatement of the rights and responsibilities of the Association and all Great Hawk lot owners, including those served by the community wastewater treatment system, was required to limit Association risk and provide appropriate service to the Great Hawk lot owners.

The Association did not ask to be responsible for the operation and management of the community wastewater treatment system. The operation and management of the community wastewater treatment system was foisted upon the Association by Hawk Mountain Corporation. The documents that were developed by Great Hawk Corporation to create, administer and transfer the community wastewater treatment system to the Association are poorly drafted and, in a number of respects, internally inconsistent. The administration and operation of the community wastewater treatment system by Great Hawk Corporation and Hawk Mountain Corporation was, in some cases, contrary to the interests of the Great Hawk lot owners including those intended to be served by the community wastewater treatment system.

The Association determined that, for the good of the Association and all Great Hawk lot owners, it would be prudent to establish a set of standards and procedure for determining which lots were entitled to connect to the community wastewater treatment system and how lots that were not entitled to connect to the community wastewater treatment system could deal with septic system failures that might arise in the future. Based on my discussions with you and Paul, it is my understanding that the Board concluded that, because the policies did not directly involve and were not limited to the actual operating and maintenance of the community wastewater treatment system but were primarily focused on the administration and operation of the Association, and were intended to

address and resolve certain risks to the Association and its Members that could arise as a result of past administration of the community wastewater treatment system, it would be reasonable and appropriate to include the legal costs incurred resulting from the resolution of these issues, it was appropriate to assess all of the Great Hawk lot owners for such costs. I concurred with that conclusion.

- Acquisition of Lot 102/Upper Sparrow Hawk Road: I understand that a question has been raised about the Association's acquisition of Lot 102 in 1997 in a settlement with the Town of Rochester. The Members of the Association approved a resolution to acquire Lot 102 as Common Land at a meeting of the Association held on August 24, 1996. Actions to challenge the acts of a corporation would come under Vermont's general statute of limitations, Title 12, Section 511 of the Vermont Statutes, that provides that:

A civil action, except one brought upon the judgment or decree of a court of record of the United States or of this or some other state, and except as otherwise provided, shall be commenced within six years after the cause of action accrues and not thereafter.

It is my opinion that any challenge to the Association's actions in acquiring Lot 102 in 1997 is time-barred and I do not believe it is necessary for the Association to address the merits of or procedures involved in the Association's acquisition of Lot 102. As to any actions taken at the time to acquire Lot 102, including any title reports concerning Lot 102 that are part of the Association's records, lot owners may inspect the records of the Association at the Association's office at reasonable times upon reasonable notice to the Secretary of the Association. If it is convenient for the Secretary to locate and make a copy of the requested record for the unit owner, he or she may do so but he or she is under no legal obligation to do so, and the unit owner may be left to their own devices to search the records. The Association Secretary responsible for safeguarding the records should allow the inspection of the records at the office of the Association but may refuse to permit the removal of the records from the office.

- Lot 102 as Common Land: I understand that a question has been raised about the status of Lot 102 to as part of the Great Hawk Common Land.

The definition of Common Land in Article II of the Bylaws of the Association provides, in part that Common Lands include:

. . . . such other or additional lands as the Association shall hereinafter acquire for the mutual and common benefit of the Members of the Association.

The minutes of the August 24, 1996 Annual Meeting of the Members of the Association, a copy of which is attached to this letter, reflect that:

A motion was made and seconded to accept [Lot 102] as common land subject to a satisfactory [title] report. The question was called and the motion carried by a vast majority.

The Minutes of the August 23, 1997 Annual Meeting (copy attached) reflect that:

Mr. Ellis advised the members that Lot 102 on Upper Sparrow Road was given by the Town of Rochester to the GHOA and is now part of our Common Lands.

The vote at the 1996 Annual Meeting and the report at the 1997 Annual Meeting leave no doubt that the Members approved the acquisition of Lot 102 as Common Land and that Lot 102 was acquired as Common Land. It is, in my opinion, irrelevant that the deed itself does not contain the words "Common Land". It is the actions of the Association under Article II of the Bylaws recognizing Lot 102 as Common Land, not the language of the deed from the Town, that determines whether Lot 102 is Common Land.

Even if the action of the Association to designate Lot 102 as Common Land had not been expressly authorized by the Bylaws, the Association's authority or actions to acquire Lot 102 or to designate Lot 102 as Common Land is not subject to challenge at this late date. Accordingly, given the express authority of the Association to designate Common Land, and in the absence of a timely challenge of the Associations' actions in acquiring Lot 102, the acquisition of Lot 102 by the Association and its designation as Common Land must be presumed to have been legal and valid under the authority granted in the Bylaws.

Accordingly, I see no need for the Association to amend its Covenants or Bylaws to accomplish something that was already legally accomplished in 1996 and 1997, and I would recommend that the proposed Resolution regarding Lot 102 be tabled.

- Lot 102 and Upper Sparrow Hawk Road Assessment: I understand that a question has been raised about the status of the assessment of Lot 102 to pay a 1/16 share of the cost of maintenance of Upper Sparrow Hawk Road.

Each deed of an Upper Sparrow Hawk Road lot (except Lot 99) including the deeds of Lot 102 in its chain of title to the Association includes the following road maintenance assessment covenant:

3. Access to the lot line shall be by the Upper Sparrow Hawk Road, a private road, the construction costs of which shall be borne by [Great Hawk Corporation/Great Hawk Corporation/Hawk Mountain Corporation] and the maintenance of which shall be borne equally by lots having their access from the Upper Sparrow Hawk Road. Each lot shall bear 1/16th of the yearly maintenance fee for such road. Hawk will retain the ownership of the Upper Sparrow Road (sic) and has the right at any time to turn over the road to the common ownership of the lot owners bordering the road. Hawk also has the right to dedicate said road

to the Town as a town highway and eliminate the yearly maintenance fee paid by the owners. Beginning at the time of lot purchase, the amount of \$250 per year (subject to yearly adjustment) shall be due and payable by the lot owner, pro-rated on a yearly basis beginning December 1. Said fee will be placed in an escrow savings account for purposes of maintaining the road.”

The road maintenance covenant does not specify who is actually responsible to perform road maintenance, how a road maintenance budget is established, administered or enforced, or to whom the road maintenance assessment is paid. I understand that the Upper Sparrow Hawk Road owner have their own association that sets its budget and relies upon the Association to make and collect the assessments for Upper Sparrow Hawk Road maintenance on behalf of the Upper Sparrow Hawk Road lot owners.

To the extent that Lot 102 retains its character as a “lot”, the Association, as the owner of the lot, is technically responsible for paying a 1/16th share of the maintenance cost of Upper Sparrow Hawk Road. It would appear that unless the Upper Sparrow Hawk Road lot owners agree to release Lot 102 from its share of the road maintenance and assessment, Lot 102 will technically remain obligated to pay its 1/16th share of the road maintenance and assessment irrespective of whether it is designated as part of the Common Lands or remains an Upper Sparrow Hawk Road lot.

That having been said, the Association’s only source of revenue to pay its expenses, including a road maintenance and assessment, would be through an assessment of Great Hawk Lot Owners under its general assessment authority established by the Declaration and Bylaws, or an assessment against the Upper Sparrow Hawk Road lots under the road maintenance and assessment covenant. Because an assessment against the Association for a 1/6th share of the cost of maintenance of Upper Sparrow Hawk Road would itself be a cost incurred in the maintenance of Upper Sparrow Hawk Road and not a general cost of management and maintenance of the other Great Hawk Common Lands, such cost should, in my opinion, be assessed against the Upper Sparrow Hawk Road lot owners under the road maintenance and assessment covenant and not against the Great Hawk lot owners generally. This would mean that the other 15 Upper Sparrow Hawk Road lot owners would each absorb an additional 1/15th share of the maintenance cost for the Upper Sparrow Hawk Road to account for Lot 102’s 1/16th share.

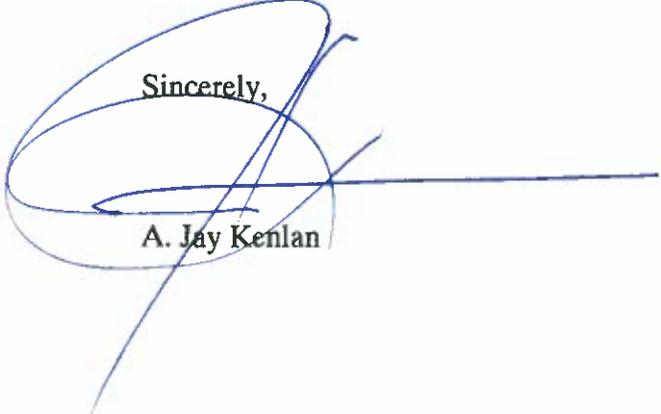
This appears to be the practical effect of what has been happening since the Association acquired Lot 102 in 1997. Rather than cycling the road maintenance and assessment through the Association and then back to the Upper Sparrow Hawk Road lot owners, the Association appears to have been directly assessing each of the other 15 Upper Sparrow Hawk Road lot owners for a 1/15th share. While the Association could do it the other way and, on paper, track the road maintenance and assessment through the cycle, administratively it is arguably more efficient to cut out the middle step. The net result is exactly the same. This is true for the current assessments as well as for all of the past

Mr. Mark Kassop
August 18, 2011
Page 6

assessments that have been passed on to the remaining Upper Sparrow Hawk Road lot owners through the years.

I trust that these discussions will be of assistance to you in dealing with issues that may arise during the Great Hawk Owners meeting on Saturday. Please feel free to call me if you have any questions.

Sincerely,



A. Jay Kenlan

AJK/jgt

**Minutes of the 18th Annual Meeting
GHOA
Saturday, August 24, 1996
Federated Church, Rochester, Vermont**

The meeting was called to order by President Jack Ellis, at 2:38 P.M.

President's Report: All those present were welcomed and any who had entered through a door other than the front door were asked to be sure to sign in at the entrance. Thanks were given to fellow directors: John Gropper, Vice-President and Co-Chair of this meeting, to former directors Tom Boswell and Brad Crosby, and to other volunteers (John Gilmartin, Sewer Chairman, Erik Nordin, Water Chairman, Art Aaronson, Common Land Chairman, Sharon Malone, Tennis Chairperson, Paul Malone, ARB Chairman, Holly Gunner, Treasurer Upper Sparrow Hawk Road, and Hanni Ellis, Sewer Treasurer) for their services to GHOA during the past year.

Heather and John Gropper were thanked for making arrangements for this and other directors' meetings during the year and their willingness to absorb some of the charges for same. Tellers for this meeting were announced as follows: Art Aaronson, Chief Teller, Brent Ellis, John Moses and Bill Neill. It was also stated that John Gilmartin and Todd Marble were elected by unanimous consent of the Board of Directors to fill vacancies created by the resignations of Tom Boswell and Brad Crosby. Jeff Steinkamp, Acting Secretary at the June 1 board meeting, will also be taking the minutes for today's meeting. This year's Nominating Committee, chaired by Ed Becker, included Mary Weden and Jack Ellis, as the Board's representative.

Jack Ellis reviewed the system for electing our Presidents. He then called the memberships' attention to the two pending lawsuits filed by Peggy Schwartz and Brad Crosby. Christopher D. Roy of the Burlington firm of Downs Rachlin & Martin, PC has been appointed by our insurance in dealing with these actions.

The Board seeks help from the membership: so speak up if you wish to volunteer.

Jim Anderson, a Rutland attorney with Ryan Smith & Carbine Ltd., and Mary Kirkpatrick, a Burlington attorney with Lisman & Lisman, were introduced. Anderson was present, serving as attorney for the board, at the request of the board.

Minutes of the 17th Annual Meeting: Jack Ellis brought up the matter of approving the minutes of last years' Annual Meeting. After a motion was made and seconded that they be approved as circulated to the membership, the motion to approve passed with no dissent.

Committee Reports:

A. Sewer. John Gilmartin reported that 30 members of our common sewer system have agreed to split up into three separate fields with John continuing to report for all. Odors under manhole covers, a problem in the main field, are budgeted to be corrected at a rate of 10 in '96-'97; so put in requests if you have odor problems in your vicinity. These will be honored on a first come, first served basis.

B. Water. Erik Nordin summarized from his report and addendum to the report for the year '96-'97. Total costs for our aging systems (serving 57 homes) was \$15,265 or \$273/user. Harvey had been employed to look into a seepage problem in systems #5 and #6. Both are clear now and further tests will be made next week to confirm correction. \$5,903 was the cost of this problem. Although Hawk North has tested all systems each year, Harvey will gather samples for this coming year, looking into problems and rectify them. The recommended assessment for the coming year will be \$310/home. System #30 has had numerous pumps over the years. Hawk North will look into this problem. Mai Quint, our former Treasurer, mentioned a past goal of building up a stable sinking fund for this account, and he also indicated a vote by the membership approving the assessment for '96-'97 was not called for.

Common Lands: Art Aaronson, reading from his report, summarized a number of actions completed or contemplated under his jurisdiction: two of our three meadows were mowed in early August, and the third, the tennis court meadow, is scheduled to be mowed next year; Art has repainted a number of our road signs, but some have deteriorated and will have to be replaced; the pond mowing in July was hampered by soft soil conditions due to rain; the pond water, tested in July, was declared safe for swimming by our test lab in Burlington; Kristina and Iain Ronald were thanked for planting and maintaining the flowers under our sign on the approach road; Dennis Demers has been asked to remove big tree limbs where unsightly on our common land; Selectman Gerald Wilder has been asked to replace the unsightly stop sign on Austin Hill Road and have the loose section of guard rail repaired on Lower Sparrow Hawk Road; and Dennis will be contacted to post "no hunting" signs before this year's hunting season begins.

Requests from the floor suggested the town be asked to remove the three recently replaced culverts lying beside the road in front of the pond, and that someone ask Rochester Electric Light & Power to clean up the debris where trees and brush have been cut under power lines. Both Jack Ellis and John Gropper volunteered to do this.

Tennis Committee: Sharon Malone reported balances of approximately \$9,000 and \$900 in the savings and checking accounts; a New Hampshire company will be consulted about aligning fence posts and repairing some cracks on the court surface; Dennis Demers will be asked to reset the steps leading to the courts from the road. Sharon thanked Jeff Steinkamp for putting up, taking down, and storing the nets since there were no other members presently on the tennis committee, Paul Malone for fixing the gate so it would stay locked, and whoever has been emptying the trash baskets at the courts. It was also noted that while the birch trees donated by the Breus have survived the winter, the cedars have been eaten by hungry deer. In answer to Erik Nordin's suggestion that trees be planted to screen the tennis court fence, Sharon expressed reluctance to blocking completely the beautiful view over the courts and said thought was being given to low planting of some sort.

Architectural Review Board: Paul Malone indicated his committee had functioned from August '95 under early March of '96 and had one meeting to discuss two fences erected without approval first from the ARB. Paul brought up this matter at the December 30, 1995 GHOA meeting, asking that the board request that the two parties involved submit their plans to the ARB. The vote of the board which followed at that December 30, 1996 meeting was 4-2 against having the plans submitted to the ARB. In March the

committee was asked to suspend activities for the time being. Since that time, Paul reported, two advisory applications have been received and filed.

Upper Sparrow Hawk Road: Jack Ellis reported that this committee had met August 3, 1996 with 5 of 9 members present. He complimented Holly Gunner as this group's very efficient treasurer. Expenses for the past year totaled \$600/lot, and this same \$600 assessment was voted for the year '96-'97. Rather than resurfacing the macadam w/asphalt at a cost estimated at \$13,000, grinding up the macadam and combining this with 6" of hard gravel has been decided upon. Jack also reported meeting with the Town Select Board re resurfacing at the foot of Upper Sparrow Hawk Road where Town maintenance ends.

Fiscal Update: Tom Boswell distributed a report, indicating that a report of comparison with last year's expenditures will be forthcoming. Expenses during the year exceed income mainly because of our present insurance premiums of \$11,144+/- were almost a three fold increase over last year's premiums. Officers' and Directors' Liability Errors and Omissions coverage (\$1,000 deductible) purchased in March, accounts for much of this increase. There have been no additional legal costs to date over and above the \$33,000+/- total bill (for the last fiscal year ending June 30, 1996) renegotiated by Tom Boswell with Keyser, Crowley, Meub et al.. Our \$6,267 savings account has been used up and the year ended with an \$800 negative cash flow.

Dick Cray asked if Brad Crosby's suit against GHOA had actually been withdrawn, as Brad had promised the membership, and Peter Manahan's answer was, "not as far as we know." Ehud Sperling characterized the recent specious suits as an attempt to bully the members.

Budget for '96-'97: Jack Ellis explained there was no way possible to go back ~~now~~ to \$100/yr assessment per homeowner. We will need during the coming year to pay Jim Anderson \$1,000 for past services, and repay the \$8,000 loan from the Credit Union. John Gropper anticipated that \$9,500 of this year's budget will not recur. In answer to Ehud Sperling's question, "shouldn't there be some sort of cushion in the budget?", John Gropper suggested, "maybe in the next budget."

Carolyn Nordin expressed dismay that lots paying lower assessments than homes in effect have "representation without taxation." Jack Ellis explained that's the way it is for now, but offered this is an item that will be discussed by our new board.

Nick King asked what effect continuing lawsuits will have on our insurance premiums? The answer was that they will go up, and all members were urged to be civil to their neighbors in order to minimize the increase.

Mr. Kaiser (?) asked if lot owners shouldn't share pro rata the ratio of increased assessments required for our legal fees? Mal Quint felt some lot owners were stuck with unsalability. Others felt homeowners were stuck too. John Gropper agreed "fairness of assessments, and voting rights" should be discussed by the new board. Sharon Meadowcroft suggested adding \$40 to each lot assessment could provide a cushion amount for the budget.

A motion was made and seconded that the '96-'97 Budget be adopted as presented.

Attorney Anderson assured the membership that the new budget included premiums for our new insurance, but that the increase for this was less than \$3,500. After discussion, the question was called and the motion carried with no dissenting votes. John Gropper moved that since both the insurance increase and the loan payoff exceeded \$3,500, the membership authorized exceeding the \$3,500 spending limit for these two items. This motion was seconded and passed.

Old Business: The Town of Rochester has offered to donate lot 102 as common land with no offer to pay off delinquent fees to GHOA. The Upper Sparrow Hawk Road Committee on August 3rd voted to accept this Town offer and to refer it to the Annual Meeting. Neither adjacent property owner is interested in buying lot 102. Mai Quint wondered if there are any other liens on this property? John Gropper felt it worth spending \$250 +/- to have a local attorney search the title before accepting the Town's offer. Jeff Steinkamp felt the bottom of this property might be usable in connection with a potential hiking trail on common land just below and adjoining the lot. A motion was made and seconded to accept this lot as common land subject to a satisfactory report. The question was called and the motion carried by a vast majority.

New Business:

A. George Arthur's lot # 74 is available for sale at \$14,000.

B. Voting: Jack Ellis reminded everyone that it was their privilege to take back their proxy and vote in person if they wished to do so. The Tellers at this year's meeting would be integrating all proxy votes with all votes cast in person, but because of the number of items to be voted on, totals would not be available today. The voting then proceeded on the seven ballot items circulated to the members with the notice of this Annual Meeting. Ballots numbered to identify each voting option were distributed to all members wishing to vote in person and voted on one at a time. The vote counts circulated to the membership a few days after the meeting are included here as part of the official record, and are as follows:

1. Election of three Directors: John Gropper, Peter Manahan, Mary Weden, to serve until the 1998 Annual Meeting of Members. No further nominations were made from the floor. Any more proxies to come in were called for by the chairman.

For 100 Against 2 Abstain 0

2. Amendment of Articles of Association: After the ballots were distributed, Jack Ellis opened the floor to discussion on this issue. Attorney Anderson confirmed this item was designed to clarify the GHOA position re these items since our covenants are clear about this and only the Articles of Incorporation were not artfully drafted. It was announced a quorum was present and that a 2/3 vote was necessary on this item.

For 74 Against 26 Abstain 4

3. Authorize Directors to amend the By-Laws Covenants to conform to any amended Articles: Attorney Anderson clarified that approval of this item would authorize our directors to amend our By-Laws and/or our Covenants and bring them back to the membership for final approval. Extensive work and legal fees may be incurred in their

100
2

102

74
26

104

OK
10/2/97
of
the

doing this.

For 77 Against 24 Abstain 2

77
24
2

103

4a. Resolution expressing opposition to lawsuit brought by Brad Crosby and Peggy Schwartz against GHOA:

For 77 Against 24 Abstain 3

77
24
3

104

4b. Resolution expressing opposition to lawsuit brought by Brad Crosby and Peggy Schwartz against nine (9) present or former directors of GHOA:

For 77 Against 22 Abstain 4

77
22
4

103

5. Adopting a Resolution ratifying and approving previous actions of GHOA boards back to March 9, 1979:

For 69 Against 28 Abstain 5

69
28
5

102

6. Amend Articles of Association to grant GHOA the general powers exercisable by a non-profit corporation as stated in 11 V. S. A. 2352:

For 75 Against 24 Abstain 5

75
24
5

104

7. In their discretion, to act upon such other business as may have properly come before the meeting or any subsequent adjournments thereof: Peter Manahan indicated this item was addressed to proxy holders only. But after a member expressed his own feeling that the board was trying to pull a fast one with this item, it was decided to allow voting members present to vote again to approve the actions taken at the meeting, re namely lot 102, the budget and the insurance premiums.

For 73 Against 25 Abstain 5

Adjournment: At 4:24 P.M. a motion to adjourn, made by John Gropper and seconded by Meredith Moses, was approved.

Jeffrey Steinkamp, Acting Secretary

Minutes of the GHOA Annual Meeting
August 23, 1997
Federated Church of Rochester, Vermont

Jack Ellis, President of GHOA, called the meeting to order at 2:06 p.m. and welcomed all those present. He declared that forty-eight (48) proxies had been received, which is more than necessary to have a quorum. Therefore, the meeting could proceed.

The first item of business was to vote on minutes of last year's Annual Meeting; additions, corrections, or comments were solicited and none made. Motion to approve those minutes was made by Tom Boswell, seconded by Jeff Steinkamp. Voice vote taken with no nays. Minutes approved.

Jack Ellis gave thanks to Tellers Tom Boswell and Ed Becker, his Board of Directors, committee chairpersons, and special thanks to Art Aaronson as Treasurer and Common Lands Chair.

Two items for action:

- 1) Vote by ballot for new Directors.
- 2) Voice vote on the new budget.

Jack Ellis explained that those who have not paid their GHOA assessments were not eligible to vote (as stated in the by-laws). There are currently 5½ members withholding their payments because of actions taken by the current Board of Directors. Eight others have been somewhat in arrears for a few years. Mr. Ellis also explained the by-laws state that \$3500 is the maximum amount which can be spent by the Directors on any one budget line item without specific approval by the membership. Since this budget includes two such items, one for insurance and one for legal fees, there will be two separate voice votes taken on this budget.

Mr. Ellis gave a brief update on the lawsuits, one against GHOA and one against eight individuals. He stated "They are still in the Discovery stage." Chubb has withdrawn their insurance coverage twice and our attorney is still pursuing them to have the insurance reinstated.

John Gilmartin spoke on the lawsuits. These two lawsuits were filed in the late summer of 1996 and Chubb withdrew their insurance coverage at the end of December. The Board of Directors met in late-December to discuss the situation, and the Legal Defense Fund Drive was started at this time. Mr. Paino suggested to John Gilmartin that a "conversation" between he, Mr. Crosby, and Mr. Gilmartin be held to try to reach a middle ground. Mr. Gilmartin obtained approval from the Board of Directors to do this. Lots and lots of long-distance conversations by mail, phone, and fax between these three transpired as a result. Finally, in late-April, a long meeting of these three individuals took place, at the end of which it was thought they had a settlement - although it was a verbal agreement. Mr. Gilmartin got approval from the Board of Directors to continue, with the stipulation that the two lawsuits be considered together. Mr. Gilmartin consulted with the eight defendants and found several of them "uncomfortable" with the "deal" and at the same time Mr. Crosby also became "uncomfortable;" in early-June Mr. Gilmartin could see that all was not well. In late-June he updated the Board of Directors and they

all felt that a serious effort had been made on all sides, without success. "Obviously very difficult to find common ground for a settlement" was Mr. Gilmartin's comment. Thereupon, the Board of Directors decided to act to get the by-laws modified to implement the Covenants we have. Mr. Gilmartin's final comment was "Ultimately, we all have to find a common ground together - and Mr. Paino was very helpful throughout."

Brief summary of some comments and questions from the floor, directed to John Gilmartin:

- 1) The lawsuit against GHOA should be settled alone. Mr. Gilmartin noted there was a definite "connectedness" between the two suits because the eight individuals are all past GHOA directors. Basically, we have to get together as a *group*, settle the two suits as a *group*, and govern ourselves as a *group*! We must construct a way for ourselves to go forward.
- 2) Try to change how GHOA works by building a consensus of like thinkers working within our system of annual membership meetings. Changes could then be made peacefully.

→ Mr. Ellis advised the members that Lot 102 on Upper Sparrow Road was given by the Town of Rochester to GHOA and is now part of our Common Lands. Total cost to us - \$49.75. ←

Mr. Ellis also made an impassioned plea for volunteers to come forward and help run GHOA. Aside from the Board, volunteers are in charge of water, sewer, ARB, Common Lands, and Upper Sparrow Hawk Road. We need four treasurers to boot. This is our mountain, we must help run it.

Treasurer's Report:

Art Aaronson went over the report (available upon request). This year we paid off the \$6,000 loan and our insurance is paid through February 1998. Current balance is approximately \$2,000.

Questions asked:

- 1) Why is \$500 budgeted for 1998 postage when only \$59.00 was spent this year? Answer: President Ellis personally paid for most of the GHOA postage this year.
- 2) Printing can be done more reasonably by "VT Correctional Industries," a non-profit group.
- 3) Why is \$5,000 budgeted for legal fees? Answer: All of this \$5,000 will be used as needed only for by-laws revision legal expenses.
- 4) Predicted 1998 balance is \$9385. Why so high? Answer: With the current situation in GHOA, the Board of Directors felt the need to have a high balance for unforeseen expenses.
- 5) The Legal Defense Funds are *not* GHOA funds since they come from personal donations to help with the legal costs.
- 6) Why is the assessment still at \$300? Answer: The Board of Directors voted to keep it at that level because the lawsuits are not settled, and we are legally

obligated to defend the suits. The legal expenses are unknown, therefore, each GHOA house pays \$300 and each lot \$50. Please remember that GHOA is defending itself, not suing anyone.

7) This final question brought great laughter: "Why doesn't GHOA declare bankruptcy and the lawsuits will just fade away???"

John Gilmartin's final plea: "We must come together, agree together, and work together to settle the problems."

Vote on Budget:

Motion by Mr. Ellis to have a voice vote, seconded by Tom Boswell.

- 1) Results on budget: Total of 59 in favor (45 proxy, 14 present) and 4 negative.
- 2) Issue is to approve the Board of Directors spending the budget amount of \$6,000 for insurance: Total of 57 in favor (45 proxy, 12 present) and 7 negative.
- 3) Issue is to approve the Board of Directors spending the budgeted amount of \$5,000 for legal expenses: Total 61 in favor (45 proxy, 16 present) and 3 negative.

It was stressed by the Board of Directors that if more money is needed for legal costs, the Board must go to the membership for approval.

Ballot Voting for New Directors:

Dick Weden, Brent Ellis, and Art Aaronson. Weden 64 votes, Ellis 60 votes, Aaronson 65 votes. 5 write-in votes: Sperling 4 votes, Paino 1 vote.

Committee Reports:

Eric Nordin for the Water System (available upon request). Comments made by Eric:

- 1) All water systems will be tested this fall.
- 2) Replacements of defective water pressure tanks will remain the same as in the past.
- 3) Some discussion as to which house on each system will be tested. Normally it is the control house, but perhaps the last house will be used. Eric is resigning after 2½ years and Jack Ellis gave him heartfelt thanks for a job well done. We need a new chairperson for the Water System.

Sewer Report:

Sewer System Report by John Gilmartin (entire report available upon request).

Summary: There are three separate systems within the Colony:

- 1) Main Field with 21 members. All 1997 assessments paid. 1998 assessment will be \$300. The Field savings account is approximately \$19,000.
- 2) Martin Sector Field with 7 members. All 1997 assessments paid. 1998 assessment will be \$250. Field savings account is approximately \$6375.
- 3) Top-O-Mountain Field with 2 members. All 1997 assessments paid. 1998 assessment will be \$50. Field savings account is approximately \$1,635.

Common Land Report:

Art Aaronson summarized as follows: All basically okay. Dennis Demers does our general maintenance, i.e. grass, downed trees, raft at pond, pond water testing (okay for 1997 swimming). New STOP sign at bottom of macadam barely visible. We requested Selectmen to switch back to a YIELD sign for GHOA. Answer was NO. The NO HUNTING signs go up in October. Many new GHOA road signs have been put up.

Tennis Courts Report by Sharon Malone (available upon request).

ARB Report by Paul Malone (available upon request).

Upper Sparrow Hawk Road Report. Ed Becker reported the following:

- 1) Road is in good shape.
- 2) All owners paid assessments.

Comments and Remarks on the above from membership:

- 1) Laura Cray (available upon request).
- 2) Alan Mirakian spoke. He has owned the white farm house at the bottom of the macadam for eleven years. He wants to retire to this house and make substantial changes, and, therefore, wants a release from GHOA since his is in no way a "Hawk" house. He does not benefit from being in the Colony nor does he use any of the "services" offered (i.e. pond, water, sewer). Peter Manahan's answer: "There is no provision for an exit from GHOA. Perhaps give financial relief." Mr. Mirakian says he wants complete release, not just financial. Mr. Aaronson pointed out that Mr. Mirakian does benefit from GHOA. The covenants provide protection against shacks, trailers, messes, and the nearby land behind him is leach field and, therefore, "forever green." The new Board has said they will take this case under advisement.

Discussion of By-Laws, Article X, chaired by Peter Manahan.

Opening points made by Peter:

- 1) No action will be taken today. This draft is for discussion purposes only.
- 2) How to operate an ARB.
- 3) The new GHOA Board of Directors will make another draft after today's discussion and that draft will be "presented" to the membership.
- 4) How do we "present?" Call a meeting, get proxies, or do it all by mail? Is time important?
- 5) The format of this draft came from the Quechee (Vermont) community and should pass legally in Vermont.
- 6) The ARB was suspended by the Board of Directors in the spring of 1996 because of the issue in the Articles of Incorporation, that says no specific power was granted to the Corporation to control private property. At the 1996 GHOA meeting, the clarification of the powers of the Association's control under the covenants over private property was put to a vote and passed. The articles have

been changed and the powers are not ambiguous anymore for the corporation. It can operate under an ARB. At the same time, it was voted that the Board come back with by-laws to put an ARB into place.

Comments from the owners:

- 1) Concern over limits on tree cutting.
- 2) A plea that we all get together to talk about specifics and get the community back together again.
- 3) Peter Manahan's comments: There is urgency in this matter to establish a "procedure" for the ARB in the by-laws. The Covenants establish the standards or rules that control developments and improvements on our land, which we all signed when we took our deeds. The Covenants were revised in 1992 when 78.2% of the membership voted YES; ARB's mission has been established by the by-laws.
- 4) Comments from a number of homeowners: The list of items under ARB's control is too restrictive. The size of ARB should be 5 people, and not be comprised of all Board members. Landscaping should be appropriate and should draw upon the established aesthetics of Great Hawk. Arbitration procedure is the way to go, *not* the courts. For disagreements with the five members of ARB, the appeal is up to the seven directors and finally an architect as the last review. Do not be too specific in listing the "acceptable" or the non-listed will surely appear.
- 5) It was stressed by several ex-board and ARB members that no application to the ARB over the years has ever been turned down until the fence issue.
- 6) Keep the application procedure as simple as possible, . . . "it will be easier to comply with and we have to be willing to comply, and the wording of the application must be legally upholdable." We need to set legislative guidelines to cover the worse case scenario, but not to deal with the normal procedures. Need aesthetic, informal guidelines.
- 7) From Peter Manahan: The existing community has already established the standards. From John Gropper: We have a real, planned community and the necessary covenants - now we need the process (which is this Article X) to be compliant. The process is to keep the extraordinary or the repulsive in check and to give you a confidence that it is not arbitrary. From John Gilmartin: The real issue before us here is not "how to apply" but the concept that GHOA has the right to tell us what we can and cannot do.

Members present were asked to submit to GHOA within two weeks their written suggestions for changing the proposed Article X. Then the Board can redraft it and resubmit it to the members. **Question asked:** "How many here today feel that with minor revisions, this Article X would be okay?" Two-thirds of those present voted YES.

More Comments:

Large scale projects, i.e. house additions, any new building, etc. need a different application procedure from less obtrusive changes or additions.

Mr. Cray's lawyer, Doug Riley's, comments summarized as follows: He spoke briefly about the traditional Vermont way of dealing with issues such as some of those we

face, first on a person to person contact basis, which he thought would be worth considering before we go through more formal procedures, such as committee review, etc.

More Comments:

- 1) Using the Quechee procedures as a model for our new set was a mistake since the two communities are miles apart in feeling, style, etc. Perhaps there is some other model to help guide us.
- 2) A request to have the old ARB reinstated now. Board of Directors will have to consider this. Mr. Manahan: It is most important that the new reading of Article X be ready soon, so get your written suggestions in within two weeks. Mr. Gropper wants to call a special meeting to put Article X together. The soliciting of written concerns and ideas and a special meeting are a perfect combination for success. He thanked the Board of Directors, committee chairpersons, and most especially Jack Ellis for his outstanding, steady leadership these past two years.

Motion to adjourn made by Mr. Gropper at 5:06 p.m. Seconded and approved.

John Gropper, Acting President

Connie Breu, Recording Secretary

CB/tbl
Attachments