



CHOCORUA SKI & BEACH ASSOCIATION

ANNUAL MEETING MINUTES

September 26, 2020

Called to order at 9:14am

BOARD MEMBERS PRESENT:

Mike Pazzanese, President
Fred Doane, Vice President
Bob Greenberg, Treasurer
Sherryl Hitte, Secretary
Betty Butler
Cindy Carpenter
Bob Drohan
Jeff Forsythe
Eileen Lennon
Del Orndorff
Wayne Power

BOARD MEMBER ARRIVED LATE:

Phil Sheehan - Resigned at 9:25am

OPENING REMARKS:

President Pazzanese welcomed the membership. Reminded anyone who had not checked in at the front door, to do so and that masks are required. Hand sanitizer was located at various stations. If you had not voted absentee, then you need to get the official blue ballot. He further stated that all the Committee Reports could be found on the side table giving brief outlines of everything that had been done over the year. He added that if there were not enough reports, that they are all posted on the website.

President Pazzanese informed the membership of the passing of William Bulman, Dave Craig, Sue Doane, Gayle Thomas Markren and Ed Trimm. He then asked that there be a moment of silence for these individuals as well as all those that have fallen victim of Covid-19.

President Pazzanese asked that the members join in the Pledge of Allegiance.

President Pazzanese introduced the Board of Directors. He went on to ask the members present that if they have a question during the meeting to please raise their hand, stand and give their name as well as to speak loudly so that everyone can hear. He asked that when a question is asked to please allow others who have a question on the same topic to speak. When everyone has had a first question, we would then entertain any second questions asked on the same topic. Additionally, we are going to try to follow Roberts Rules of Order as best as possible. Housekeeping items and all "exit" locations were identified.

President Pazzanese introduced all current Board Members and asked each committee chairperson to give a brief outline of this past year's reports.

COMMITTEE REPORTS: (all committee reports can be found on the website)

Beach - Eileen Lennon gave a brief outline of items noted on the Beach report. Questions came from members with regards to

- a) Costs of Porta Potty and Pontoon damage, Eileen stated that the cost of the Porta Potty was around \$400 per month and that the pontoon damage would be addressed in the spring.
- b) Boat rack assignments, Eileen stated that a few members are on the waiting list and we will see what open slots there may be for this coming year. She encouraged people to get their name on the waiting list.
- c) Smoking being allowed on the beach, No rule/law against this and very hard to enforce.
- d) If we had a lost and found area. The shed usually has these items, call our number to inquire. Eileen stated that 27 helped this year in removing the docks and she thanked all who helped. President Pazzanese reminded all that a boat rack assignment does not move with a new owner. Boat rack assignments are first come first serve for members in good standing and Covenant holders.

Firewise - Bob Greenberg gave a brief outline of items noted on the Firewise report. At the time of this annual meeting, we were approximately \$2K shy of being declared a Firewise Community for 2020. A member spoke from the floor to say he had just put out another \$2K to have the last of his trees to be cut down and would submit the necessary paperwork. Questions came from members with regards to

- a) Fireworks being set off after 9pm, 10:00 pm is the cutoff time.
- b) Would the town possibly support a new egress in order for members to get out in case of fire. NO, this is a private community
- c) Does the CS&B board or fire department inspect fire pit dimensions? Location from structures is what they look for.
- d) Was an incident report issued to the home that was reported to police dept. for both fire pit & barrel. - Not at this time as the fire department has authority and acted on the call.
- e) Additional trees and brush to be cleared by our tree vendor around the Association as needed including our egress areas.

Roads - Bob Drohan gave a brief outline of items noted on the Roads report. Our vendor for both road maintenance and winter plowing is John Roberts with renewal next spring. Road re-grading and crowns set to be done before the end of October. Questions from members with regards to

- a) Use and cost of calcium chloride and the dust issues, Sub-Committee setup to look into this possible cost and issues it may present
- b) When brush on roadsides will be cut, Early October
- c) Will cut back be done at top of hill in time for snow? Dependent on weather

Bill Bradley made a motion to do a feasibility study and ramifications and cost associated with Calcium Chloride. This was seconded and passed. A member made a motion to amend the motion to allot \$10K towards testing and investigation. The membership voted no. This did not pass and the study will be done through further investigations.

Architectural - Fred Doane gave a brief outline of items noted on the Architectural report. Fred made mention that all our required setbacks for building, etc. are noted in our deeds. A member

mentioned that some member's homes are putting bushes, fencing and/or stone walls too close to the road and becomes a problem for plowing. The BOD and Association can not guarantee that during a bad winter, that these items will not be damaged and the Association is not liable. There is a 15' easement on our deeds that allows the Association and utilities to be maintained.

Parks & Recreation - Sherryl Hitte gave a brief outline of items noted on the Parks & Rec report. Although Memorial Day clean-up/Firewise was cancelled this past year, many things were completed thanks to the help of volunteers throughout the year, thank you all. No questions asked. Sherryl asked Dick Lennon to speak regarding updates for the Veterans Park.

BUDGET:

General Operations Expenses

President Pazzanese informed the membership that the General Operating Expenses for 2020/2021 are \$60,000. A motion was made to accept the proposed 2020/2021 General Operations Expenses of \$60,000, in full, **which was seconded and passed.**

Capital Management Accounts

President Pazzanese informed the membership that the Capital Management Accounts are \$5,500 for fiscal 2020/2021. A motion was made to accept the \$5,500 Capital Management Accounts in full, **which was seconded and passed.**

Active Accounts

President Pazzanese informed the membership that for the Active Accounts the only portion that needed to be voted on was the Firewise Savings Account. A motion was made to accept the \$2,000 amount proposed for 2020/2021, **which was seconded and passed.**

President Pazzanese stated that the Fiscal Year 2020/2021 dues and assessments will be \$260 per year for each of the 271 billable lots. If anyone wants to combine a lot, we ask that it is done by May 15, 2021 for billing and tax purposes.

President Pazzanese stated that 3 subcommittees have been formed.

- a) Help subcommittee, -Wayne Power, Dick Lennon and Donna Dudley
- b) Speed Bump/Stop Sign subcommittee, Donna Dudley, Kelsey Hitte
- c) Gated Community subcommittee, Steve Gauthier, Wayne Power

It was asked that anyone who would like to volunteer to please join these subcommittees.

PRESENTATION BY STEVE GAUTHIER:

President Pazzanese introduced Steve, resident on Remick Drive, who has volunteered many hours to research and make phone calls related to STTR (Short Term Transient Rentals), understanding the Covenants attached to our Deeds, understanding our By-Laws, additional Egress, etc.

Steve went on to say we collect \$260 per billable lot. We have no other revenue sources. We have a 12-member board, all volunteers. The board is not permitted to come up with new Covenants. No new By-Laws can be added without a majority vote which is held at the annual membership meeting. We are a private, non-profit community. The town of Tamworth does not

govern our roads. Thus we are allowed to have golf carts on our Association roads. If we become governed by the Town guidelines, we are no longer a private association, and our association would lose our private beach, tennis court, playground, etc., which becomes available to outsiders to use.

RE: 2nd Egress

We currently have the bridge and the two egresses to the back forty-four acres to leave the community in case something happens to the bridge. Steve went under the bridge with an engineer to confirm that the bridge is currently in good shape. The back forty-four acres does need to be leveled a bit more however in order to make it feasible to travel in the event of an emergency. He discussed another egress with the Moore's Pond Association leading out from Remick Dr. The egress would have to go through a private lot and the president of that association is not in favor of allowing this.

Discussion with the Town of Tamworth is needed to see if the town will hold some responsibility for the bridge should something catastrophic happened. Clarification is needed to understand why one person says the town is responsible to the top of the hill due to bussing, while another said no.

RE: Restrictive Covenants

All homes are to be used for residential purposes only. They make it clear that "commerce" within our Association is not allowed. STTR (Short Term Transient Rentals) is considered a business within a members home, thus it is considered "commerce". This means the member is using their home to make money and not using it for their own residential purposes. Yes, a family member or friend can give the homeowner money as a donation to help cover for the use or wear and tear for their stay. That isn't a case of the homeowner making a profit off their home. A letter went out to all members in 2019 regarding the insurance coverage and how STTR are affecting our association insurance. There were some statements and questions from a member. The president used the gavel and asked that we not be using Steve's presentation to make statements and save for new business. There was then a threatening type of outburst from a member directed towards the President. President Pazzanese apologized to the members for this disruption. Asked that all other questions or comments move under "new business" and closed the discussion so that the meeting could continue. He thanked Steve for all the time he put into the research and the presentation. The presentation will be added to our website.

President Pazzanese announced that we would be taking our lunch break. That this was the time to do the voting with the blue ballots only. He explained the voting process. This year's ballot includes, Fred Doane, Bob Drohan, Donna Dudley and Del Orndorff. He reminded those in the audience that Phil Sheehan is no longer running even though mail in ballots may already reflect him getting votes.

LUNCH BREAK: 11:45am

MEETING RESUMED AT: 12:15pm

President Pazzanese thanked all the volunteers for the lunch they prepared, keeping Covid-19 in mind. He also thanked the volunteers working the sign in table and ballot table. There were additional follow up questions to Steve Gauthier's presentation:

Mike Robinson on Mather stated he purchased his home to use on occasion, but to also rent it out when not in use to help defray the cost of the utilities, taxes, etc. as was done with the previous owner of the home. He wanted to know if members have rented their homes at any time to make money. There were very few responses. He wanted to know if the upcoming letters were going out to all members or just the members who currently rent their homes. President Pazzanese stated that ALL members would receive this letter.

President Pazzanese stated that the board works for the membership. If a member brings something to the board that needs to be addressed, the board will discuss and decide if we as a board are within our rights to speak to the homeowner in question based on the concern. In this case, a member brought 25 signatures to the board opposed to short-term renters in our association based on our restrictive covenants and our By-Law asking us to enforce Article 3, Section 6. The board is not trying to take away the rights of the members arbitrarily, but as a board we must also follow the Covenants and our By-Laws demand that the BOD enforce those Covenants. Additionally, our Covenants are set up so that any member, who wishes to seek legal action against another member for not obeying the Covenants, has the right to do so. Any member can sue a member for breaking a Covenant. It is not just a board or association decision, however we try to support the Covenants and work with homeowners whenever possible.

President Pazzanese stated that a proposed By-Law will be added to the September 2021 Annual Meeting Ballot for voting. This is the verbiage given by our attorney.

Proposed By-Law for 2021 Annual Meeting

It is hereby recognized and understood by the Chocorua Ski & Beach Club Association and its members: 1) that every property in the Chocorua Ski & Beach Club subdivision, regardless of membership status in the Association, is subject to the restrictive covenants contained in the deeds to those properties; 2) pursuant to covenant #1 in those deeds "All lots in the subdivision shall be used for residential purposes" and; 3) that pursuant to covenant #9 in those deeds "No business, trade, or enterprise of any kind or nature whatsoever shall be conducted on any lot or lots in said subdivision."

Accordingly, the Chocorua Ski & Beach Club Association and its members acknowledge and agree that short term or transient rentals of any property in the Chocorua Ski & Beach Club subdivision is prohibited by the aforementioned covenants as such use would be equivalent to a business, trade, or enterprise use of the property by the owner and would violate the purpose and intention of the covenants that all lots in the Chocorua Ski & Beach Club subdivision are to be used for residential purposes only.

The motion was accepted, seconded and passed. A member asked how we handle this if there are multiple members that must be taken to court. Do we do it all at once, or separately? President Pazzanese mentioned that our attorney stated this would be a Superior Court case and likely cost upwards of \$10K to \$15K. The proposed new By-Law gives the Covenant the extra strength we need as an association before the judge but as with all court cases, nothing is

definite. We are following all legal avenues and the proper legal process to resolve this issue in the best way for all parties. We want to have all of our information and facts in place prior to further actions.

A letter is being drafted for our attorney to review, to assure it states all the necessary information to strengthen our case. This letter will then go out to the entire membership with proof of mailing in early 2021. The proposed By-Law will also be emailed to all those we currently have on our email list.

A member asked the audience if they would volunteer to be on the board if we did not have insurance. All board members stated no, they would not.

Another member mentioned that it appears that the people who live in this association full time are concerned about the renters. This isn't just an issue with the association getting and holding on to our insurance because there are members that offer their homes to short term transient renters as a way to make a profit in addition to trash, speeding and noise complaints which are also concerns of full-time residents.

VOTING RESULTS:

Fred Doane received 63

Bob Drohan received 50

Del Orndorff received 48

Donna Dudley received 32

Dave Hathaway received 11-will become alternate

Doug Demers received 3-will become second alternate

Peg Huddleston 1

Sally DeGroot 1

Phil Sheehan received 34, but resigned at the beginning of the meeting (09:25)

There were votes from the floor and absentee votes.

ARREARS LIST:

List for Fiscal Year 2019/2020 Members and Non-Members

Ingmar Realty Trust LLC - Lot on S. Chocorua River Dr. \$1,530

Sandra M. Hall - Lot on Remick Dr. \$1,530

George Koufos - Lot on Trask Dr. \$2,988

Edmund Wall - Lots on Mason Dr. & Mather Rd. \$5,146

Joseph Nicosia/Laura Dooley - Home on Tewksbury Dr \$260

List for Fiscal Year 2019/2020 Non-Members who pay dues ONLY

Edward Cianci - Home & Lot on Mason Dr. \$4,656

Karla Young - Lot on Nickerson Dr. \$2,300

NEW BUSINESS

Patricia Porcello stated that monthly board meeting notices were not posted on Bulletin Board during previous months. President Pazzanese mentioned that 2020 was a hard year for all of us with Covid-19 and the March/April meeting was not posted due to snow and March, April, May and June were WebEx meetings. July, August and September annual meeting notices were in fact posted. The monthly calendar with meeting dates is also posted on our website calendar. In addition, the date, time and place are noted on the end of each monthly meeting minute's.

Phil Sheehan mentioned that there should be term limits set for board members. After discussion, President Pazzanese asked for a motion to be made. A motion was made and seconded for a By-Law to be added to the 2021 official ballot to set terms limits for board members to serve only three consecutive terms of three years. 10 members in Favor, 14 members were opposed. Motion for this By-Law proposal to be on next year's ballot did **NOT** pass.

Some members stated about not having names of others who may want to be on the ballot for annual election. President Pazzanese stated that any member in good standing can get their name on the ballot if they notify the **BOD** in writing 60 days prior to the annual meeting. A good cut-off date would be by the end of June every year. This allows for the secretary to add the name on the ballot prior to it going out to the entire membership, instead of waiting to do a write in on the day of the annual meeting in September. An email will be sent out to all those we have on file to notify them of the annual meeting date and if they would like to run for the board, to send something in writing to the president, sixty days prior.

The 2021 Annual Meeting will be held at Runnells Hall on Saturday, September 18, 2021 at 9:00am.

A motion was made to adjourn, which was seconded and passed.

Meeting adjourned 2:07pm

Respectfully submitted,

Sherryl Hitte
CS&B Secretary

***2020 Annual Membership Meeting Minutes-Addendum 07.30.21 sdh
(captured from audio recording as best as what could be heard)**

Mike Robinson asked if the association attorney or representative was here from his office. Mike also asked if there was a future time that there could be a meeting of some sort with our attorney. President Pazzanese stated no to both questions. Mike Robinson stated he bought his house in here to retire to at some time in the future. He stated that he did not initially buy his home to rent it out. He was also given a list of renters from the previous owner. He was never told in 2018 anything regarding residential use only and no business, trade or enterprise. "Further, that the covenants talk about a neighborhood store. Now it seems to be pigeonholed into short-term rentals." President Pazzanese stated that neighborhood stores were to be considered on common property, not on any residential lot or home. Mike Robinson stated that the letter from Steve Gauthier was presented to the BOD and the board made the decision to send it out to the membership before even discussing it with the membership. President Pazzanese said that the Board of Directors works on behalf of all 271 members. The BOD must look at the potential ramifications; use due diligence and take care of the matter now. President Pazzanese further stated that we have approximately 127 residents who live in the association full-time, who must put up with renters every day of the week, versus the weekend warriors who are not always here to see what goes on. Mike Robinson brought up Kearsarge (in North Conway) and that it was clearly decided that short-term rentals were allowed. President Pazzanese stated that he does not know what their covenants and restrictive deeds show, but it was what ours show that we are concerned about. Mike Robinson also stated that regardless of whether it's a renter or a homeowner, that if someone gets injured on the road because a tree branch falls, and a person suffers a head injury, any person has the right to sue the association. He stated it doesn't matter whether it's a renter or a homeowner. He also asked why a business such as a landscaping business is being allowed. Steve Guathier stated that our Covenants & Restrictions state nothing with regards to any member who is self-employed, that they can't park their company vehicle(s) at their home. However, if said person wanted to open a show room and display materials etc., then they would fall into the same category as no business, trade or enterprise.

Sally DeGroot said there is a law in New Hampshire that you can have AirBnBs, and the municipality cannot disallow it. She further stated that the house in Portsmouth had violated the real estate laws in a specific area that had motels, and that house violated the codes. Sally said that Kearsarge couldn't enforce their covenants because over the years they never enforced it.

Donna Dudley said that she bought her house because she wanted to know her neighbors; she didn't want to be in a field with strangers all the time. Donna also stated that she cares about the now and not the 1999 timeframe.

Sally asked if our insurance policy was intact. She stated that she bought her home in 1999; that her property was a rental property when she bought it. Nobody lived here full time until Peg Huddleston moved in. Sally mentioned that other members had rented in CS&B prior to buying a home in here; naming Eileen Lennon and Cindy Carpenter. Eileen Lennon mentioned that while she did rent out her home in the very beginning, that it was her home, and she only rented it to people like family and friends when they were out of the state. Sally stated that she feels that the homeowner has the right to do what they want with their property, including renting it out. Sally stated the BOD is overreaching by telling a member what they can do with their homes. Sally stated that home prices have gone up by the positive reviews of renters on websites. Sally stated that members need to know that by voting.

Cheryl Gannon asked Sally if she had the Covenants, Deed and By-Laws seen by her attorney in 1999 to see if they were accurate. Sally stated that they were.

President Pazzanese stated that real estate across all of New England has grown immensely. There may have been rentals in the past, and if Joe Smith is renting the property consistently throughout the year and does not live here, that they are conducting a business out of their home, based on the Covenants. Renters don't have a vested interest in the community and are coming here strictly for vacation. Members & residents want to enjoy this community the way it was originally intended to be.

Sally said, "So let's talk about the muscle that the board has," and feels the board overreaches against members. President Pazzanese pounded the gavel and stated we move to the previous question. That any new business should be discussed under New Business. Victor DeGroot took offense and started approaching the Board of Directors' table in a threatening manner, yelling at President Pazzanese that "I really don't like how you are talking to my wife. And you're banging on the freaking table like that. She had every right to ask the question." Treasurer, Bob Greenberg stated he was about to call 911 to have

Police presence brought in. Once all settled down, President Pazzanese stated to move forward and let Steve finish his presentation; to bring up further topics under New Business.

Steve Gauthier stated he found six insurance companies that handle associations; four passed on us due to short-term rentals. Two others gave us quotes, one much higher than the other. Both stated that if we continue to allow short-term rentals within our association, we could be in jeopardy of losing existing insurance, be put into a different classification, and pricing would drastically increase. We currently don't have staff that oversees our various amenities such as playground, beach or tennis court. Someone could easily be injured or cut themselves, twist an ankle, etc. It is more likely if it's a member's guest it would be no big deal; whereas if it was someone who is coming in from outside, on vacation and being their first time here, they may not look at it from that point of view and find that the association should be held liable for the injury someone may have suffered.

Sally DeGroot and/or Mike Robinson brought up the use of ATVs and golf carts; about them being allowed or not being allowed, etc., that on our website we have something about golf carts that says that you must be 12 and older to drive one and isn't that a likely cause for a lawsuit as well. Doug Demars asked if we had anything in the covenants regarding the use of ATVs or golf carts and was told we did not. Doug stated that Sally and other renters are ripping so much money off the backs of the people who live in the association, and that she speaks for the greed because she is a businesswoman. Sally DeGroot stated that we are taking away the homeowner's rights and that we should be addressing the few who are rule breakers. Sally feels that if liability insurance is the problem, then why not just ask those homeowners that rent to get an additional umbrella coverage. President Pazzanese stated that that is not the right way to go, as that means that the Association is blessing it, and not following the Covenants and Restrictions.