

VAIL'S GROVE COOPERATIVE, INC.
BOARD OF DIRECTORS MEETING

JUNE 18, 2008

CALL TO ORDER:

Chairperson Waltzer called the meeting to order at 8:12 pm and asked all present to rise for the Pledge of Allegiance.

ATTENDANCE:

Victoria Desidero, Secretary, took attendance. Present: Ronnie Waltzer, Tom Duffy, Peggy Boyle, Ray Harting, Victoria Desidero, Ellen Mytcyh, Bob Gregory, Fred Witte, Jim Andes. Absent: Mary Rubini, Simone Havel.

ACCEPTANCE OF MINUTES:

Mr. Gregory asked for the insertion of the word "school" to item on Page 6 about taxes going up. Peggy Boyle asked for a change on page 4, the last paragraph, make the word "application" singular and on page 5, delete "in for the" regarding the sewer district. Changes will be made.

Victoria Desidero made motion to accept minutes with the changes. Peggy Boyle seconded. All in favor. Motion passed. Chairperson Waltzer asked the Board to please read the minutes when they receive the draft and get any changes back to the office by the date requested.

COMMENTS & CONCERNS OF STOCKHOLDERS:

1. Margaret Flannery made comments regarding the tree that fell on Ramp 3 and said we are lucky that the tree did not fall on any home. Margaret is concerned that there are a lot of trees that should be trimmed. She would like the trees examined and asked for us to put a blurb in the Vail's Voice for people to look at their trees and remind them about their responsibilities. We will also put this information on the Web site.

COMMITTEE REPORTS:

CHAIRMAN'S REPORT:

Ronnie Waltzer reported that Peggy Boyle had an announcement to make regarding the WWTP. Peggy Boyle announced that the Town of North Salem

received approval from Albany to form the Sewer District. Paul Greenwood was ecstatic as were members of the Coalition. Peggy said that we expect the Town of Southeast to also get approval within the next few weeks. There is a 15-day waiting period for both counties to approve the sewer district formation and after that period is over we will receive the formal written approval from the Office of the State Comptroller in Albany. Formation of the sewer districts is one of the requirements to receive low interest financing from Environmental Facilities Corporation (EFC).

Ronnie recalled the beginning of this process starting with PLEC and thanked everyone who has worked so hard on this project, most recently Peggy Boyle spearheading the Peach Lake Coalition.

Ronnie reported that the Board has been reviewing the possibility of implementing a FLIP tax in our community. A committee is in place to look at ways of doing this. The Chair of that Committee (Frank Cassidy) is not present at this meeting so Ronnie explained what a FLIP tax is and handed out a packet of information and asked that people review it so that they become more knowledgeable about what a FLIP tax is. What the committee recommends will be presented to the shareholders for a vote at the Annual Meeting. Prior to that, the Board will review the committee's recommendations. Mr. Gregory noted that there must be a 30-day notice to shareholders prior to presenting something of this nature for a vote at the Annual Meeting.

At this point Ronnie went back to Shareholder Comments as Mr. Burns was back in attendance after a lengthy discussion with Tom Duffy in the other room. Mr. Burns had put his name down to speak so Ronnie invited him to the podium to address the Board.

Mr. Burns, agent for #9 Vail's Lake Shore Drive and owner of #11 Vail's Lake Shore Drive, said he wanted to speak about the discussions he has been having with the Board regarding these properties. There is a pending application for alterations for #9. Mr. Burns would like that addressed as a separate issue and came this evening prepared to resolve the issues with #9 so that he could receive approval of his application to renovate. Mr. Burns had a letter he was prepared to present to the Board based on discussions he had earlier in the day with Ronnie Waltzer, Victoria Desidero and Jack Waltzer. He was prepared to resolve the issues based on that meeting but he has been told by Mr. Duffy (outside the official meeting of the Board) that no action will be taken on #9 until the issue at #11 is resolved. He stated that he and Ms. Verhave, owner of #9, would not be held

hostage. They have submitted an application and, instead of a fair review, received an ultimatum from Mr. Duffy that unless the boundary lines issue for 11 Vail's Lake Shore Drive is resolved there will be no approval of the application to renovate # 9. Mr. Burns stated that no one should be allowed on his property on June 19 because he will not be home. (Ronnie Waltzer had scheduled a surveyor to come June 19 to survey the property and draw up a new professional quality plot plan.)

Mr. Duffy asked Mr. Burns, for the record, how he is going to make the five feet in the description (Mr. Burns referred to the 2005 survey that he submitted) he has in the survey disappear. Mr. Burns stated that he had agreed to give the five feet in his meeting with Ronnie Waltzer, Victoria Desidero and Jack Waltzer. Tom Duffy continued to ask how Mr. Burns would do this. Ronnie explained that we had said that if Mr. Burns would agree to the original border on the proprietary lease, there would be no discrepancy between his property and the Verhave property. Ronnie Waltzer asked Mr. Burns if he was continuing to agree to the original proprietary lease and he said he was. Tom Duffy asked, to be clear, if Mr. Burns was agreeing to the original proprietary lease from when he purchased #11 in 1999. Mr. Burns said he was talking about #9 not # 11. Mr. Burns said he was trying to submit a letter saying he would give the five feet that Tom has been asking for to #9's property from his property at #11. Mr. Burns stated that Mr. Duffy said "off the record" in the other room that he was not going to do anything about the application for #9 until #11 is solved.

Ellen Mytych asked Mr. Burns whether he would honor the results of a new survey of the two properties if it would alleviate some of the confusion and answer some of these questions. Mr. Burns responded that where he comes from surveys are like the bible. He purchased a survey for #11 and also for #9 by the same surveyor to help eliminate this confusion but the same mistakes were made in both surveys, namely that the surveys did not agree with original proprietary lease saying where the boundary ended by Lake Shore Drive but he didn't really didn't want to get into all that now because it only confuses the issue. Mr. Burns said he was willing to entertain the results of the new survey but wanted to focus on the letter he brought to the meeting tonight to resolve, once and for all, the issues with # 9 so that he can go ahead with the renovations outlined in the application before the Board which has been tabled, according to Mr. Duffy, because of #11.

Ms. Desidero raised the question that at the last meeting it was decided, and it is in the minutes, that she and Ronnie Waltzer were asked by Mr. Duffy to go out and

discuss with Mr. Burns the issue with #9 and #11 if possible. She asked what was the purpose of going to talk to Mr. Burns if nothing that was discussed in that meeting could be presented to the Board. She is not clear on this process. She stated that Tom had a conversation in the back room with Mr. Burns that negated the letter we asked Mr. Burns to bring tonight. Mr. Burns said he withdrew the letter once Mr. Duffy told him nothing would be done on #9 until the issue with #11 was resolved. Ms. Desidero asked if we knew when we went out to see Mr. Burns that we could not do anything on #9 until #11 was solved and Ronnie Waltzer replied that we did not know that and, in fact, Mr. Burns made it very clear in the previous meeting that he would be willing to “discuss this as long as it has nothing to do with the issue at 11 Vail’s Lake Shore Drive.” Ms. Waltzer said there is a plot description in the proprietary lease for #9, which has not been in question. Mr. Duffy stated that he has been doing this for 13 years and wants to explain to everyone that this is the most discombobulated place to build or add on. If someone comes in with a plan he has to validate the property lines within a reasonable couple of inches – not feet – inches. We have a property dispute between a man and himself because Mr. Burns owns #11 and is the agent for #9. Ronnie read a letter that was written on January 22 by the Board to Mr. Burns that said the amendments that Mr. Burns had proposed to the Board had never been enacted due to non-payment for new shares and not returning the original stock certificates to the office. As a result, the lease description would stand due to the time that had elapsed. The original lease description from 1999 would remain in effect and that is the lease description we are using now in all of these property disputes. There was no discrepancy between #9 and #11 originally and therefore, there is none now. Mr. Burns said we are lucky that the line that is a problem is between a property he owns and one he represents because he is willing to do what it takes to solve the problem for both properties.

Jack Waltzer stated that he was at the meeting with Mr. Burns, Victoria and Ronnie today and on the original plot plan it was the purple line that was the original line and when we left that meeting Mr. Burns was agreeing to the purple line on the south which resolved the problem of the lines between the two properties. If that is the case, Mr. Burns agreed to what we asked and if we do not vote on his application for his renovations tonight, Mr. Waltzer believes we are causing Mr. Burns additional and unnecessary financial and emotional distress regarding the work that needs to be started at #9, for which there is a building permit that is about to expire. Ms. Waltzer said that is what she would like to do: vote on the agreed property line and move forward on the application to build. Mr.

Harting stated that the building permit has nothing to do with the decision to vote on the property line dispute. There was additional discussion to answer Mr. Harting's questions about where the five feet is.

Mr. Duffy brought out the map again and questioned Mr. Burns about where the line would be moved on the map Mr. Burns had provided. There was discussion about whose map it was and who provided it. Mr. Duffy wanted to know if Mr. Burns was rescinding the entire map on which the new purple lines were drawn. Mr. Burns said he was agreeing to the purple line that gave the five feet back to #9 as was being requested. Tom asked if Mr. Burns was going to take the 67 feet across the front of #11 and make it 62 feet and Mr. Burns said yes, if that is what the Board wants.

Ms. Boyle said we needed to be careful about using language such as "giving" and "taking" when what we are actually saying is that we are going back to the original proprietary lease. Ronnie agreed that is also what she was trying to say. Mr. Duffy asked again if Mr. Burns is agreeing to the original 1999 proprietary lease for #9 and #11 and Mr. Burns said no, he was only talking about #9.

Mr. Burns said, at this point, he was told that the application he and Ms. Verhave submitted for the renovation at #9 was tabled because the plans went out of the footprint of the original building which requires a revised plan be submitted, there was a property line dispute between #9 and #11 and because he encroached upon the footprint of #11 when he moved his fireplace foundation forward 10 feet on the same line. Mr. Burns was told he would be issued a fine for moving the fireplace. The Board tabled the assessment of the fine pending the discussion with Ronnie and Victoria.

Mr. Burns said he came to the meeting tonight ready to take the following actions: to submit a new plan that does not go out of the footprint, to go back to the original property line to resolve the perceived dispute and to pay the fine for moving the fireplace foundation without permission.

At this point the discussion about the line between #9 and #11 started again between Mr. Duffy, Ms. Desidero and Ms. Waltzer. Mr. Duffy said we could put this to rest today if we had a party who agrees to all the things the Board has offered to do on both pieces of property. Mr. Duffy is sure that Mr. Burns will come back and contest the property lines on #11 using the same plot plan (map) he is using today. Ms. Waltzer said he can contest all he wants but we are only

talking about #9 now. The Board is in no way voting to accept Mr. Burns' version of the property lines, we are voting to go back to the original proprietary lease for #9.

Mr. Harting talked about why the lease description is the binding description for all properties. This can be a problem because they are approximate at best, he said.

Mr. Duffy said Mr. Burns took a survey of #11 to Bruce Thompson of the Town of North Salem showing a variance and presented it without Board approval. Tom is worried that Thompson is going to shut us down for all building in North Salem. Mr. Burns said that was a very serious accusation and that the survey in question was done and approved by the then Real Estate Chairman (Jay Couillard), it was brought to the office, approved by the then Board and stamped as approved. Mr. Burns said he has a copy with the Co-op seal on it and Mr. Duffy challenged him to show him that stamped copy, which Mr. Burns said he would do. Mr. Burns said that Mr. Thompson may have received a copy without the seal but he (Mr. Burns) has the stamped copy. Victoria Desidero said she, Ronnie and Jack saw that stamped copy when they were at Mr. Burn's house that afternoon. Mr. Duffy then disagreed that there had ever been a letter from the Board to Mr. Burns, which Mr. Burns also offered to produce as per Mr. Duffy's request.

Ms. Waltzer again asked to bring the conversation back to #9 because that is what is in front of the Board tonight. Ms. Mytych questioned why we couldn't go ahead and vote on #9 tonight and Mr. Duffy said it is because we don't have a surveyed plot plan submitted by Mr. Burns for #9. Mr. Harting said we cannot accept a survey and should be going by the proprietary lease. Mr. Duffy said we must accept a survey or he can't do anything else. Mr. Harting said Mr. Becker has told us time and time again that we cannot accept surveys.

Mr. Burns reiterated that he is willing to move the boundary as discussed this afternoon and earlier this evening. He is willing to move the foundation for the fireplace as discussed and he is willing to submit a revised plan showing that he is not going out of the footprint. He also agreed to pay the fine for improper use for moving the fireplace without permission.

Ms. Waltzer recommended that we keep the two properties separate and that we go ahead and bring a motion to the Board that we approve Mr. Burns plans for renovation of #9 as a separate issue.

Ms. Mytych said that, out of respect for the Chairman of the Real Estate Committee, we should not vote if the application is not complete.

Ms. Desidero asked again for someone to please clarify why she and Ronnie were asked by Mr. Duffy and the Board to go and speak to Mr. Burns if nothing that was discussed, negotiated or resolved could be presented to the Board for a vote. Ms. Desidero pointed out the recommendations have not even been made after all this discussion. Ms. Waltzer asked Ms. Desidero to make the motion at which point Mr. Duffy strongly objected to Ms. Desidero making a motion on behalf of his committee. Ms. Waltzer again asked Ms. Desidero to make the motion. Mr. Duffy, after being ruled out of order by Ms. Waltzer, resigned his position as Chair of the Real Estate Committee. Ms. Waltzer asked if he was certain that is what he wanted to do and he said yes. Ms. Waltzer asked him to reconsider but he refused so she accepted his resignation.

Ms. Boyle asked Mr. Duffy if he would be willing to allow Ms. Desidero to make the recommendation to him as head of the Real Estate committee then he would make the motion to the Board. Mr. Duffy stated that his resignation as Chair of Real Estate has already been accepted so let her make the motion to the Chair. He then stated he was just there as a member of the Board.

Ms. Waltzer asked Ms. Desidero to make the motion. Ms. Desidero stated that she had no intention to offend the Chair of the Real Estate committee and she did ask several times how this should be handled – as a motion or a recommendation. Since Mr. Duffy was not accepting the recommendation from Ronnie and Victoria then it seemed right to make a motion on behalf of Mr. Burns so as to move the issue along. Ms. Desidero apologized if the questions she asked were not enough to satisfy the Chair of the Real Estate Committee.

Ms. Waltzer asked for the motion again. Ms. Desidero made a recommendation that based on the Board's request for she and Ms. Waltzer to speak to Mr. Burns about #9 and, based on the subsequent meeting which also included Jack Waltzer, that Mr. Burns, as the agent for #9, has agreed to honor the boundaries laid out in the original proprietary lease, he has agreed to submit a new plan which will not exceed the original footprint as it was measured today by Mr. Waltzer with Ms.

Waltzer and Ms. Desidero as witnesses, and that the co-op would pay for new surveys for #9 and #11 because we, the co-op, feel that we need to get some sort of a handle on the issues associated with these two properties for a very long period of time and that several of our previous Real Estate Committee Chairs, not Mr. Duffy but others, have confused by identifying improper benchmarks. Mr. Harting seconded the motion.

Ms. Mytych asked if the motion included a new plan for #9 and the answer was yes. She then asked if a new plot plan and a revised application showing that he is not going out of the original boundary is all that the Real Estate Committee would need. Ms. Waltzer read the letter sent to Mr. Burns regarding everything the committee needs and again the answer to Ms. Mytych was yes.

Ms. Mytych asked what we are really voting on if these items still need to be submitted. The board discussed that what we are really voting on is that we are going to deal with #9 and #11 separately and then expeditiously act on the application for #9 based on all the previous items already requested from Mr. Burns being submitted.

Mr. Harting raised the issue of Mr. Burns being in violation because the new foundation for the fireplace was built without permission and it was noted that the letter had not been sent yet fining Mr. Burns although he knows it is coming and has already agreed to pay it. He also agreed to bury the new foundation for the fireplace he did not get permission to move even though it is on the plan for the renovations. Ms. Waltzer asked if he pays the fine and submits the new application, could we then approve his application. Mr. Witte then brought up the 8- inch rule, which resulted in additional discussion. Mr. Duffy asked why the Board is bending over backwards to approve something when all the required items are not in place. Ms. Waltzer asked again if we could make a motion to approve the plans, pending the submission of a new plot plan and payment of the improper use fee. Mr. Witte said you couldn't vote on an incomplete application. Mr. Harting said Mr. Burns must first pay the improper use fee, remove the fireplace foundation, and submit a revised application with a new plot plan showing that he is not going out of the footprint of the original structure.

The Board agreed that no vote can be taken until Mr. Burns is no longer in violation by meeting above requirements: pay the fine, remove the fireplace

foundation, and submit the revised application with a new plot plan. It was reiterated that the application for #9 would be dealt with separately.

Mr. Burns thanked the Board and Ms. Waltzer thanked everyone for their patience and attention.

Ms. Waltzer asked for the President's Report.

President's Report: No report.

Secretary's Report:

Victoria Desidero reported that the office would be closed on Friday. We will start a project this summer to scan important documents. A teenager will work on this to save money. 44 people have registered on our Web site.

Treasurer's Report:

Ray Harting reported that there is no stockholder that is two quarters in arrears.

Real Estate:

Victoria Desidero made a motion to approve an application from Mr. and Mrs. Tolan for an extension of one-year on Board approval from July 17, 2007 for work on their house. Fred Witte seconded. All in favor. Motion passed. Fred Witte made motion to approve application from Judith Smith of 48 Vail's Lake Shore Drive to put an 8-foot by 10-foot shed on her property, at the rear. Victoria Desidero seconded. All in favor. Motion approved.

Membership:

Victoria Desidero made a motion for the rental of the Hillner property to David Cohen and Julie Goldman at 1 Vail's Lake Shore Drive for a six-week period. All paperwork is in order. Ray Harting seconded. All in favor. Motion approved.

Victoria Desidero made motion to accept application for sale from Helen Vail at 7 Hilltop Lane to Maureen Mullarkey/William Carroll. Interview was successful. Ray Harting seconded. All in favor. Motion approved.

Public Safety:

No report from Drew Gunnison.

The Board discussed security and it was decided that Drew Gunnison should meet with and talk to Ralph Matachierri, who is our security person, to determine when Ralph should be called. Guidelines need to be set up to distribute to the Stockholders regarding these issues. Victoria Desidero has some suggestions. There appears to be many problems down at the North End regarding teenagers and this needs to be dealt with. We have posted the various law enforcement phone numbers on the Web site. Ray Harting suggests that Drew Gunnison needs to make the decisions. Peggy Boyle stated that if there is an issue, people should call police and keep calling until they are responsive. A Stockholder brought up the issue about teens being on boats in the lake late at night and using alcohol, which is creating an unsafe and loud situation. The other lake communities will be notified about this problem.

Buildings & Grounds:

Jack Waltzer reported that blacktop work was done by the O'Loughlins house, which should take care of the problem of water running into their driveway. They tested this out and it seems to be working right now. Mr. O'Loughlin, however, feels that the Grove should pay to repair the damage to his driveway. Jack is not really convinced that this damage has been caused just since the time when we re-blacktopped last year and does not think it is the Grove's responsibility. Jack will talk to the O'Loughlins and follow-up in writing.

Patti Goor continues to want the Grove to fix the wall at her house to the way it was. Jack will speak to her prior to installing a swale.

Mr. Keiley of 5 Vail's Lake Shore still has a problem with drainage. Jack will not install a swale until we see how the new drain is working. The property damaged by the Booring contractor has been re-blacktopped and the Booring company will pay this bill directly to our contractor.

Speed bumps have been installed at Ramp 3. Bulbs for the flagpole light are still on order. Jack has been trying to get NYSEG to fix bulbs that are out in the Grove. Nick's Tree Service has looked at trees and some work has been done near Ramp 3. Jack will continue to look at trees.

Margaret Flannery asked if we could get a new flag for the flagpole. Mr. Gregory volunteered to take care of this. Mr. Gregory also asked for the bushes to be trimmed at 121 and Ramp 1. Jack said he would take care of it.

Pump house:

Jack Waltzer reported that the pump house is operating fine. The AWQR has been sent to all stockholders and the appropriate agencies.

WWTP:

Peggy Boyle reported that the Peach Lake Coalition organized a meeting on June 9 with both towns, EFC and Stearns and Wheler. Southeast was not present. This meeting was to clarify items on the Map, Plan and Report cost analysis in particular the engineering and administrative fees which are estimated at 30% of the project and contingency fees which are estimated at 20% of the project.

Stearns and Wheler clarified that these are estimates and will be reconfigured when we receive and approve bids, the priority being on keeping the costs of the project to the homeowners at \$1200 as was stated in the petition to form the district.

Stearns and Wheler also confirmed, after much discussion, that they need additional land and have tailored the usage of space to the minimum in order to fit in a road for maintenance trucks. The actual site of the WWTP was not changed. Local shareholders were invited to this meeting to hear the justification of this need for additional land and to ask any questions. Stearns and Wheler also met the next day, June 10th in the afternoon with some shareholders at the site itself to clarify what was needed and why. Local shareholders were notified of this meeting and invited to come as well.

The Board had a special meeting on the evening of June 10th to discuss selling the district an additional .44 acres. After receiving questions from the board and the public, who were invited to this special meeting to ask questions and provide comments, the Vail's board voted unanimously to approve selling the additional property to the district. A special covenant will be drafted by Bill Colavito and reviewed by Bob Becker to ensure that there will be no further development of the land sold other than for WWTP related concerns, without the review and sanctioning by the Vail's Board of Directors.

Beach:

Claudia McGuinness handed out packets regarding suggestions about the hours at the Beach. She recommends changing the beach hours to weekdays 12-8 and keeping weekends at 10-6. Bob Gregory made a motion to approve this time change. Ray Harting seconded. All in favor. Motion approved.

Claudia said that two more lifeguards are getting certified and will start working soon. We cannot keep the beach gate open past the time that the lifeguards are there, for liability reasons.

Claudia stated that she would like permission to have Sunset Cocktails on the Beach and Sunday brunches. In addition, she now has more committee members, who have recently volunteered: Victoria Desidero, Rob Norcross and Ellen Mytych.

Fred Witte made a motion to allow alcohol to be allowed to be served at Cooperative sponsored events at the Beach. Ray Harting seconded. All in favor. Motion approved.

Sunshine:

Cindy Battreall read a thank you note from Margaret Quinn and reported that Mr. Becker was in the hospital but is now home.

Aesthetics:

Victoria Desidero reports that the committee has continued plantings and is staying within budget.

Recreation/Concession:

No Report

Community/Social:

Fred Witte reported that there would be a Family Picnic on July 19th. Hot dogs and burgers will be sold at a nominal charge.

July 4th parade will be held and then hot dogs and soda will be served.

Fred has spoken to Frank Tolan about holding a Bingo night during the summer.

Pavilion:

Jim Andes made the following motions for approval of applications for Pavilion rentals:

Cranston for August 9
Terilli for July 6
Farrell for September 13th

Victoria Desidero seconded. All in favor. Motions approved.

Legal:

Mr. Gregory reported that Mr. Becker continues to research the Flip-Tax issue and continues to work behind the scenes with the office regarding re-finances and sales of properties.

Insurance:

Mr. Gregory reported that all insurance coverages are up-to-date. Mr. Gregory and Fred Witte are continuing work on the oil tank insurance project.

Community Liaison:

Mr. Gregory stated that Margaret Flannery is a most dedicated volunteer. There is a Southeast Town Board meeting on July 19th at 7:30 pm. It would be good for residents to attend to show our support for Peach Lake. Peggy Boyle asked for a robo-call to go out and she will give the office a statement for that call.

Ombudsman:

No Report

New Business:

The committee working on the Boat Ramp/North End issues is Chaired by Victoria Desidero and has Mr. Gregory and Jay Couillard as members. Ray Harting reported that his committee of Jack Waltzer and John Lee are working on the Rules and Regulations and the By-laws revisions. Tom Duffy requested that the Board receive these recommendations with the next Board packet for the Board to have time to review prior to the July meeting. The revised By-laws need to be approved by the Stockholders at the annual meeting.

Meeting adjourned at 10:40 pm.