

Minutes of the Annual Owners' Meeting of March 8, 2014

1-2. Sign in, determination of quorum; call to order/attendance; review of agenda.

Mr. Zimmerman called the meeting to order at 9:00 a.m.

Board of Directors Present: Dan Zimmerman, Roger Dumke, Chuck Frain, and Rose Marie Masticola

Board of Directors Absent: None

Manager Present: Traci Busch

Assistant Manager: Sarah Anschutz

Owners Present:

<u>Unit #</u>	<u>Name</u>	<u>Present/Proxy</u>	<u>E-Mail Address</u>
001	Bluebell Trail, LLC	Present	
002	Curt Albers	Present	calbers1@new.rr.com
003	Dale & Cindy Michiels	Non-voting	
004	Matthew Pidgeon		
005	Dwight & Barb Wernquist		
006	Scott & Patricia Thies	Proxy	PSThies21@hotmail.com
007	Fred & Sherry Pesch		
101	William & Virginia Richter	Proxy	bill.richter@sippinjuice.com
102	Scott & Kathy Schultz		opendoor@dcwis.com
103	Kurt & Laurel Harff	Present	kortrok@sbcglobal.net
104	Rose Marie Masticola	Present	rose.masticola@gmail.com
105	Robert Dorzwieler	Present	RDorzwieler@new.rr.com
106	Ray & Sylvia Kostiuk	Present	3hobos@wildblue.net
107	Gary and Sue Hammond	Present	g.hammond@charter.net
108	Roger Dumke	Present	RogerDumke@yahoo.com
109	BMW Limited		
110	Kent Carnahan		
111	Earl & Claudette Townsend		
112	William Niemiec	Present	
113	James & Cheryl Anderegg		
114	Don & Lydia Powers		
115	Steve Stoffregen		
116	Ronald & Karen Grosse	Proxy	
117	Ronald & Karen Grosse	Proxy	
118	Peter & Barbara Vlasic & Mary Lou Lager	Present	vlasdad@comcast.net
119	William Niemiec	Present	
120	Jim & Karen Moldenhauer	Proxy	

121	Eric & Jean Dow		
122	Mike Gadsby	Present	
201	Stephen & Margie Morris	Proxy	
202	Karen Vanevenhoven & Roger Bancroft		
203	Chuck & Mary Frain	Present	
204	HDHPF, LLC		
205	Ronald & Janet Chaney		
206	Albert & Wendy Stefan		avvstefan@comcast.net
207	Ann Huetter	Proxy	
208	Jon Spoerry/Bass Investment Syndicate	Proxy	
209	Jaime & Kathy Malwitz		
210	Robert & Sheri Sarosiek		
211	Dale & Cindy Michiels	Non-voting	
212	Dan & Cindy Bohrer	Present	cbohrer@wi.rr.com
213	Dennis & Nadine Kapustka		dkapustka@gmail.com
214	Luly Snyder		
215	James Williams	Proxy	jwilliams2350@aol.com
216	Dan & Irene Zimmerman	Present	zimmmerman_dan@hotmail.com
217	Dan & Erika Lindstrom	Present	daniel-lindstrom@lycos.com
218	John & Donna Wellhausen		
219	Butch & Nancy Jacques	Present	

26 of the 46 units were present or represented by proxy (note: two units are not able to vote based on the By-Laws because the units are in process of being foreclosed). Therefore, a quorum was established per the Association By-Laws.

1. Approval of the March 9, 2013 Annual Owners' Meeting minutes. **Mr. Jacques moved to approve the minutes with a notation that the date in the header of the minutes should read March 9, 2013, rather than March 10, 2012. Mr. Dumke seconded the motion. The motion passed unanimously.**

Approval of the January 19, 2014 Board of Directors' Meeting minutes. **Ms. Mastricola moved to approve the minutes of the previous Board of Directors' meeting "as is." Mr. Frain seconded the motion. The motion passed unanimously.**

1. Approval of the agenda. No proposals were made to amend the agenda.

1. Communications.

Mr. Zimmerman discussed the March 3rd letter Mr. Schultz sent to all the owners. Mr. Zimmerman explained that he did not explicitly refer to Mr. Schultz's December 14th letter in the minutes of the January 19th Board of Directors meeting because he received communication

from other owners as well and the details raised by Mr. Schultz were addressed elsewhere in the minutes.

Mr. Zimmerman provided the rationale for the Board's decision to require an automatic deposit of owners' proceeds and automatic withdrawal of funds for quarterly maintenance fees. The primary issue is that, in addition to the two units for which foreclosure action has been started, six owners have not paid their January maintenance fees resulting in cash flow difficulties for the rental service. The action to increase the owner's proceeds to 50% of the room revenue was predicated on moving some of the budget items to the maintenance account and owners paying their maintenance fees in a timely manner. In addition, some owners are more than one quarter behind in paying their fees. Other options for addressing this problem were discussed:

- Allowing owners to pay their maintenance fees via PayPal. Owners would be responsible for paying the maintenance fee plus the 3% processing fee charged by PayPal. There was a consensus that this option should be allowed.
- Allowing owners to pay their maintenance fee via check with a 3% processing fee IF AND ONLY IF the payment occurs within 30 days of the issuance of the maintenance invoice. Ms. Busch noted difficulties for administering this option. As a result, there was not a consensus that this option would be viable.
- Increasing the penalties for late payments of maintenance fees. Currently, the penalty is 1½% interest per month for an overdue payment (\$18.75 for the first month). There was a consensus that this amount provides insufficient motivation. It was suggested that a \$250 assessment in addition to the 1½% interest be issued for each month of a past due payment. There appeared to be a consensus for this option.
- Mr. Zimmerman discussed the need to move to foreclose on any unit that is more than two quarters, possibly one quarter in arrears. Such an action would help to minimize the financial burden on the other owners. The Board can take a vote at any time for a determination to foreclose on an owner.
- It was noted that none of the owners who are in arrears in their maintenance fees have contacted a Board member to negotiate a payment plan due to financial hardships. If such an owner were to request such a negotiation, the Board could make an exception to any of the options.

Mr. Schultz's letter also mentioned issues related to the foreclosure action of units #3 and #211, as well as the rewiring of the Waterbury for cable TV. Mr. Zimmerman informed the owners that the Pinkert Law Firm in Sturgeon Bay has been retained; the attorney has filed affidavits of service and other pertinent documents for the foreclosure. It is anticipated that a hearing on a default judgment will be held soon. As to the cable rewiring, Ms. Busch reports that Charter Communications has not provided an answer as to the actual cost of rewiring the Waterbury to provide HD transmissions. Charter Communications has informed Ms. Busch that the rewiring is necessary in addition to an HD receiver.

1. State of the Waterbury

The information in the manager's and assistant manager's report that was presented to the owners was reviewed. In particular, the need for replacement of the tub/showers, toilet, and flooring in the bathroom was discussed. Based on an owner's report at the January Board meeting that his tub felt soft, Ms. Busch obtained an assessment/estimate from three plumbing contractors. All the contractors found cracks in the tub in the vast majority of units, as well as potential problems with the support below the tub, which may include problems with the subflooring. All the plumbing contractors recommended replacement of the tub/shower. Ms. Busch also obtained bids from flooring companies. If we replace the flooring alone as was planned and find that the tub/shower does need to be replaced, we would need to replace the flooring again. It makes sense to replace the tub/shower, the toilet and the flooring at the same time to avoid duplication of costs/efforts. The estimated costs of these repairs is \$3,296 for a studio unit, \$3,132 for a deluxe unit, and \$3,476 for a handicap accessible unit. It was evident that a majority of owners opposed the idea of replacing the tub, toilet and flooring. Some owners suggested obtaining a cost estimate for repairing the tubs.

Mr. Zimmerman reviewed the fiscal information included in the packet presented to the owners. He explained that the budget passed by the Board adjusted line items that were over/underspent from CY 2013. No questions or objections were raised regarding the fiscal information and the 2014 budget.

1. Questions/Concerns. None.

1. Old Business. None.