

All Co-Owners:

It is with great displeasure I must inform the Association membership that Mr. Steve Irish (purchased Lot #123 in 2015), through the actions of his Attorney, Mr. Kevin Hirzel, has filed a seven count law suit against the TBRV Park Condominium Association and Scheppe Investments.

Before getting into a summary surrounding the seven counts of allegations, I want to thank everyone for their participation in the Annual Meeting held on August 6<sup>th</sup> and now documented in the posted meeting minutes. It was there where the Association membership was given the opportunity to bear true witness to the turmoil, disruptive personal conduct, and inappropriate behavior and language used by the three individuals identified in the cease and desist order: John Raney, Dick Rudlaff, and Steve Irish. While the Board has been working to ignore the hostilities, harassment, and detrimental actions to undermine all that is good, right, and proper with our Resort and the other 187 co-owners, these three are very determined. So much so that on Sunday morning, August 14<sup>th</sup>, Mrs. Rudlaff paid me a personal visit outside of our motor coach to tell me (among other things) that the entire annual meeting was staged and a farce.

It has long been said that knowledge is power. The talkers we have in the park will continue to talk. The ones who specialize in asking questions will always ask more questions than there are answers. Those who flag you down or go lot-to-lot flapping their tongues around what they believe are only spreading their opinions to make a case that, since they have knowledge, they also have power. Nothing is further from reality or the truth.

We, as individuals, will never stop the talkers or the question spreaders. We can, however, consider the real power vested in each one of us to just walk away from gossip and disassociate ourselves from the lies. As the Aesop fable teaches us in *The Ass and His Purchaser*, "A man is known by the company he keeps" and, as you reflect on your own personal life choices, you may determine that some adjustment to your own social network is now necessary as the Association moves through this legal process.

The following facts are provided as an update:

1. The Association has spent \$4,820.50 between July 18 and August 8, 2016 for legal services from the office of Smith & Johnson for mitigation of the demands and threats as identified during the Annual Meeting.
2. In planning for the 2017 legal expense budget line, the Board will increase the annual assessment required by each co-owner from \$1,000.00 to \$1,200.00 per lot. Should the expenses to handle the actions from the law suit exceed the additional \$43,400 collected, a special assessment vote and approval will be necessary.
3. Only Mr. Steve Irish, an individual (considered as the Plaintiff), is represented by Mr. Hirzel. The others named above, although they are fully vested by both words and deeds, are not identified in the suit. The summons and complaint paper work were dated by Mr. Hirzel on Tuesday, August 9<sup>th</sup> (three days after the Annual Meeting) and the date of filing is recorded as August 11<sup>th</sup> with Grand Traverse County Circuit Court. Soon after that, Mr. Irish left the resort.
4. The demand letter, document and records demand, and law suit allegations span a time period between 2008 and present day. Any member of the Board or involved member of the Association during that eight year period should be prepared to return to Traverse City to provide written or verbal testimony through the deposition process.

The next phase of this legal process is to file a written answer to the court within 21 days following receipt of the summons. This submittal is presently being prepared by Mr. Wendell Johnson, Attorney for the Association, and Mr. Craig Huber, Attorney for Scheppe Investments.

The seven counts of allegations are summarized below for your information:

- **Count One (I):**  
This is a point of law alleging illegal adoption and recording of the First Amendment in 2005 and follow-on Amendments to the Master Deed. This allegation cites the expandability of the condominium project and calls into question the six (6) year time period after the initial recording of the master deed.
- **Count Two (II):**  
This is a point of law alleging illegal adoption of Rules and Regulations. This allegation calls into question the Board Member election qualifications (motion originally approved by the Board of Directors in September 2011) as well as the Private Rental regulations which were adopted as policy by the 2012 Board of Directors.
- **Count Three (III):**  
This is a statement alleging a violation of the Association By-laws in regard to the election process (approved by a majority vote of the membership in 2012) for the Board of Directors.
- **Count Four (IV):**  
This is a statement alleging the illegal assessment for recreational facilities. This allegation calls into question the usage fee approved in the Traverse Bay RV Park Condominium Association and Scheppe Investment Agreement of 2012 which put to rest the 2012 law suit regarding usage fees.
- **Count Five (V):**  
This is a statement alleging the illegal expenditure of the reserve fund. This allegation calls into question the use of the Association reserve fund in 2015 to pay the upgrade of the Association owned WiFi system.
- **Count Six (VI):**  
This is a statement alleging the illegal exercise of authority regarding maintenance vendors. This allegation calls into question the Approved Vendor Listing and the requirement for vendors in the park to carry liability insurance with regard to damage sustained on an owners lot, property, or Association common ground.
- **Count Seven (VII):**  
This allegation cites the right of a co-owner to inspect documents and records and, if not provided, the member may apply to the circuit court for an order to compel the inspection. The allegation goes on to state the requested financial information for 2008, 2009, and usage fee documentation had failed to be provided within the requested time frame.

It should be noted that the document known as the “Agreement between Traverse Bay RV Park Condominium Association and Scheppe Investments” provides the information regarding the collection of usage fees. This document was provided as part of the document and records demand which was satisfied in the office of Wendell Johnson on July 27, 2016 when both Mr. Irish and Mr. Rudlaff inspected the provided documents and records.

I will continue to keep the Association membership updated as we continue to move through this legal process.

Len Stenzel, President  
TBRV Park Condominium Association