

In preparation for our Association Annual Meeting...

(Please print and bring with you to the meeting for reference)

As you all may remember from the spring mailing announcement, the Association Annual Meeting is set for June 24th between 9:00 and 11:00 am in the Feast of Victory Lutheran Church located at 4400 Mount Hope Avenue, Acme MI.

The Board of Directors wanted to further inform the membership about the meeting agenda and provide you adequate time to consider any additional questions you may choose to share with those in attendance.

Overall Agenda: This format (snapshot below) remains as previously used in order to provide you with as much insight as possible and still have time for Q&A.

- Welcome and Call to Order; Sign-in will include providing lot owners with their personal copy of the Association approved documentation changes from the May Special Meeting decisions.
- President's Report
- Vice President / Developer's Report
- Secretary / Treasurer's Report
- Financial Report; includes results from the individual lot owner spring ballot decisions.
- Operations Manager's Report
- Association discussion and general questions; includes,
 - Decisions/information from the January mediation settlement.
 - Tabulation of actual costs associated from previous complaint; see page 3.
 - Synopsis of the information contained in previous and current complaints; see below.
NOTE: The membership is reminded the below allegations are **only opinions** that are reflective of the previous and present individual plaintiff's views and interpretations. Clearly, from your decisive actions and collective voices during the May Special Meeting, these opinions are not in keeping with the overall operational direction, betterment, and excellence for the Resort held by the overwhelming majority of lot owners.
- Social program activities update; a look ahead.
- Additional questions from the floor (time permitting)
- Adjourn from Annual Meeting
- Following clean-up of the meeting hall, the Board elects the 2016-17 Officers.

Synopsis of the Counts and allegations from the settled complaint:

Count I:

This allegation cited the expandability of the condominium project and called into question the six (6) year time period after the initial recording of the master deed.

Count II:

This allegation called into question the Board Member election qualifications as well as the Private Rental regulations which were adopted as policy by the 2012 Board of Directors.

Count III:

This is a statement that alleged a violation of the Association By-laws in regard to the election process (approved by a membership majority vote in 2012) for the Board of Directors.

Count IV:

This allegation called 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 V:

This allegation called into question the use of the Association reserve fund in 2015 to pay the upgrade of the Association owned Wi-Fi system.

Count VI:

This allegation called 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 VII:

This allegation cited 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.

Synopsis of the Counts and allegations contained in the June 6, 2017 First Amended Complaint:**Count I:**

This allegation cites the illegal adoption and recording of First Amendment, Restatement to the Third Amendment, Statement of Clarification, and Fourth Amendment.

Plaintiff seeks a declaration that the First Amendment, the Restatement to the Third Amendment, the Statement of Clarification, and the Fourth Amendment were illegally adopted and recorded and that they are illegal, unenforceable, and void ab initio.

Count II:

This allegation cites the illegal adoption of the Fifth Amendment and Governing Documents.

Plaintiff seeks a declaration that the Fifth Amendment and Governing Documents were illegally adopted and recorded and that they are illegal, unenforceable, and void ab initio.

Count III:

This allegation cites the illegal assessment for recreational facilities.

Plaintiff seeks a Court order declaring the imposition of usage fees is illegal and the October 22, 2012 Agreement and the May 6, 2017 Agreement are void and unenforceable.

Count IV:

This allegation cites a breach of covenant/contract.

Plaintiff states he has suffered damages as a result of being required to pay a usage fee in an amount that is not authorized by the Condominium Bylaws. Plaintiff seeks a money judgment.

Count V:

This allegation cites a failure to permit an inspection of the books and records of Association.

Plaintiff seeks a Court ordered inspection of the books and records of the Association and to recover Attorney's fees and costs.

Count VI:

This allegation cites a failure to permit an inspection of the books and records of the shared recreational facilities.

Plaintiff seeks a Court order compelling a full inspection of Scheppe's books and records and award further relief as the Court deems just and equitable.

Count VII:

This allegation cites a failure to perform review or audit.

Plaintiff seeks a Court order requiring the Association to perform an audit or review for the years 2012, 2013, 2014, and 2016 within 30 days and award the Plaintiff attorney's fees and costs.

Cost summary of the previous complaint
(Association only)

Date	Fees	Reason	Totals
07/31/2016	\$327.00	Resident Agent - L. E. Williams	
08/08/2016	\$4,820.50	Legal - Smith & Johnson	
09/08/2016	\$3,555.00	Legal - Smith & Johnson	
10/10/2016	\$2,353.00	Legal - Smith & Johnson	
11/08/2016	\$2,755.50	Legal - Smith & Johnson	
12/07/2016	\$12,271.90	Legal - Smith & Johnson	
12/31/2016	\$1,847.50	Resident Agent - L. E. Williams	
		L. E. Williams Total	\$2174.50
		Smith & Johnson Total	\$25,755.90
		2016 Total	\$27,930.40
01/10/2017	\$6,304.50	Legal - Smith & Johnson	
01/15/2017	\$591.38	Travel (Mediation) - Ed Knott	
01/17/2017	\$35,000.00	Settlement - Smith & Johnson	
01/20/2017	\$873.18	Mediation (1/3 of cost) - Peter Doren	
02/07/2017	\$7,065.00	Legal - Smith & Johnson	
03/07/2017	\$315.00	Legal - Smith & Johnson	
		Mediation Total	\$1,464.56
		Smith & Johnson Total	\$48,684.50
		2017 Total	\$50,149.06
		2016 + 2017 Totals	\$78,079.46

NOTES:

1. The January Newsletter reported a cost of \$27,603.40 due to an error in not reporting the \$327.00 cost of the Resident Agent on 07/31/2016.
2. The February 23, 2017 information sent out reported a total cost of \$77,437.46 due to an error again in not reporting the \$327.00 cost of the Resident Agent on 07/31/2016.
3. The final total cost to the Association for the previous complaint during both 2016 and 2017 is **\$78,079.46** and is verified by L.E. Williams, Association CPA as accurate.