

May 25, 1980

MINUTES OF THE MILLIANIGAN CORPORATION MEETING - MAY 25, 1980

The May 25th meeting of the Millianigan Corporation was called to order by President Dick Bruno with eight members present:

Ghyselinck	DeWitt
Sullivan	Bruno
O'Connell	Hogan
Francis	Witt

Bill Francis read the minutes from the Labor Day meeting. Dot Ghyselinck made a motion to approve the minutes, seconded by George Witt, and the motion was carried.

Dick Bruno summarized the meetings held at the home of Bill and Arlene Francis in stating that the members decided not to accept LaVerne's offer of the 9.3 acres at a purchase price of \$49,000. LaVerne was asked for a figure on the purchase of the beach and tennis courts. He responded with a figure of \$45,000. The Soales plan to tear down the lodge and subdivide the entire area with lots on Christiana Lake Road and lots on both sides of the road to be put in. There will be a buffer zone between our property and these lots. This buffer zone along with the beach, existing tennis court and one or two more courts to be built by Soales will be known as the common recreation area. The corporation can buy into the recreation area for a fee between \$12,000 and \$15,000. More information will be supplied by LaVerne at a later date. The cottage north of Don's has been sold and is occupied.

Treasurer's Report - Bob Sullivan stated we have \$2,341.96., This sum included \$125.00 in fees paid beyond February by two members. There is \$300.00 in outstanding maintenance fees. The board had decided to suspend collection of maintenance fees between February and June. As of this date the only foreseeable debts we will incur will be fees for mowing the common areas, trash pick-up and the attorney's fees. Taxes for 1980 will be due in March, 1981, and will be the responsibility of the membership. Arlene Bruno made a motion to accept the treasurer's report, seconded by Dot, and carried.

Old Business - The board has decided to set up four basic committees for which we need volunteers:

1. Buildings and Grounds Committee: Responsibilities include general clean-up, improvements and changes, checking on the channel, yard lighting. Doug Tweeten will be a member of this committee.
2. Ways and Means Committee: Yearly auditing of the books. Bob Sullivan will sit on this committee.
3. Policy Committee: Dealing with the bylaws. Polly Schloss will serve.
4. Social Committee: Planning any group activities--such as 4th of July get together.

New Business - The collection of maintenance fees had been suspended by the board as of February but will be reinstated so that we can keep ahead of expenses. At the end of the summer we will reassess our financial position. We anticipate approximately \$1,500.00 in expenses for this season plus the 1980 tax bill •

In the past the corporation had decided to pay the electric bill for the well pump in exchange for the use of the beach. The owners of Cottage #1 will be asked to pay 1/16 of the summer bill.

The tax assessor stated he will be out to inspect our cottages this summer but did not give a specific date. He stated that if denied access to any cottage, he would assess it at the maximum rate. Thereafter each cottage owner will be responsible for his individual tax.

At this point our attorney Scott Schofield joined the meeting and a discussion and explanation of the bylaws ensued. The articles have been filed with the state. The corporation will accept title pursuant to the land contract. Stock certificates will be issued to each owner. Promissory notes to the corporation will pledge the stock certificate as collateral for repayment for those who have not yet paid LaVerne in full.

#### Bylaws Discussion

The corporation has the option to purchase certificates at agreed upon price to insure compatibility.

The bylaws call for a three member board but five members on ,the board is acceptable.

In the case of divorce, the option of the corporation to purchase the certificate would be in effect. The court decrees which of the spouses receive the property, and then that spouse would be approved or disapproved. There would be no problem of transfer in case of death of a spouse. The new spouse of a presently unmarried member could apply for membership.

The board of directors acts for the corporation and the terms are used interchangeably. It is up to the membership to consider which decisions will be made by the board and which by the entire membership according to the present bylaws.

Transfer value means the amount the member has paid for his cottage, plus the cost of improvements made by him, adjusted by the cost of living index. Scott suggested we use the appraised value of the property. Leo suggested we go by market value. We must determine some method for establishing the value of certificates, the board has the first right of refusal. The board would, therefore, have to approve the proposed buyer of a certificate or come up with the agreed price between buyer and seller.

Termination of Membership for Cause: Bylaws provide that termination may be effected by as few as five members. Bob Sullivan suggested making the number of members needed to terminate a membership higher.

Any violation of rules, bylaws etc. constitutes failure to comply. It was suggested we use a system of written warnings. Arlene Bruno suggested using financial penalties for violations. Bill Francis suggested using fines with the written warnings. Failure to pay would constitute dismissal. Arlene B. suggested in case of termination owner should be reimbursed under same terms as a transfer.

The board has the option of approving/disapproving children who inherit property. Inheriting should be discussed and terms should be decided by membership.

D. Notice of Meetings - We may use any form of notice acceptable to the group. We can conduct business at meetings with less than a quorum as long as we open with a quorum--a vote may be taken and is still valid. Husband and wife have 1/2 vote each.

G. Proxy - No official proxy form is required, but must be in writing and delivered to secretary.

C. Audit - can be done internally--does not require C.P.A.

The corporation has been formed--must adopt bylaws and go through technical requirements. When this is done, property will be turned over to the corporation. At present we are half-way toward being a corporation.

Bonding for treasurer--not necessary. Scott suggested on future tax matters involving the corporation we should seek advice from a C.P.A. Chapter 5 status recommended so individual members will be taxed and not the corporation.

Promissory notes for people who still owe money--payments will go to corporation--which will I pay LaVerne. Bill of Sale goes to corporation--owners will receive a certificate and an occupancy agreement from corporation.

Rules and Regulations (Adopted Labor Day-1979):

Item 15--Regarding board amending rules--Can board change the rules and regulations without going to membership? Scott--board has the power per bylaws. Check on abuse of power--article on removal of board members.

Occupancy Agreement - Similar to lease, but perpetual--must be surrendered upon transfer, etc.

Article 1--monthly dues--we need a reserve for debts. Scott recommends adequate insurance coverage to keep land from being in jeopardy.

Article 6--reiterates that only owners can have occupancy agreements--can't sublet, etc.

Article 7--current bills--garbage, mowing, pump. Any items not paid by individuals (i.e. taxes) will be paid by corporation--members will then owe corporation. If they fail to make payment, they are open to termination.

Article 12--default--parallels termination of membership clause.

Article 13--omit

Dick Bruno: Within the next two - three weeks we must make decisions regarding the bylaws. Scott will deal with these at the 4th of July meeting (on July 5, 1980) at 10:00 a.m. Michigan time.

Meeting adjourned at 2:30 p.m.

Diane O'Connell