

Meeting Agenda

May 25th 2013
10:00 AM Indiana/Michigan time

- I. Call to order/Roll call
- II. Approve the minutes from Special meetings on May 18th 2013
- III. Standing Committee reports
 - a. Finance
 - b. Ways and Means
 - c. Building and Grounds
 - d. Social
 - e. Ad Hoc
- IV. Unfinished Business
 - a. Bridge repair and cost estimates
 - b. cursory review of the Corporation's agreements
 - c. Discussion of the Board items and concerns.
- V. New Business
 - a. None
- VI. Miscellaneous items for Discussion
 - a. Need a work detail to put in the piers and when?
- VII. Call to adjourn meeting

Millianigan Spring Meeting
May 25, 2013

Bill Francis, our President opened the meeting at 10:00 AM. Bill stated that a proof of notice was sent for this meeting. Bill did a roll call, absent were the following members, Bruno, Ewing and Wails.

Bill Francis asked to have the minutes for the Special Board & Members Meetings of May 18, 2013 approved. A Motion was made, seconded and approved to accept the minutes for the Special Board and Members Meetings of May 18, 2013.

Standing Committee Reports:

Finance: no report was given; Mark McCullough made a comment that the corporation taxes were filed for 2012.

Ways and Means: no report was give; Mark Stroud stated that he contacted two contractors to get an estimate for the bridge repair. They declined to quote. There was discussion on the bridge repair. Bill Francis mentioned that Bristol Excavation was who put in the bridge. See if they are in business and if so would quote the repair.

Building and Grounds: Andy Walters stated that electrical fire in the 1st box by the lake and it was found by Bill Sabodor. Andy called an electrician to find the cause. The problem was no ground to boxes. Andy installed a ground rod and replaced the circuit. There was discussion on what junction boxes were installed originally and where the original ground was. Bill Francis stated that he went in to see the assessor and asked for taxes of the property, including garages and land. The tax estimate was \$27900 for the garages. The description of the Twilight well system was turned over to the corporation on the tax role. This is now on Millianigan property tax, the value \$-? The garages in 2010 were assessed at \$24600 and now are \$38900. Bill asked Andy and Dave where the tax for their garage was billed. The taxes might be double billed? There was discussion on this issue. The tax bill for 2013 is \$674,546 including land, garages and the well. Since Millianigan land is on the channel the tax rate is \$2400 per running foot at 502 ft. Then there is a 50% reduction, taxable rate should be around \$280,000.

Social: no report

Ad Hoc: no report

Unfinished Business:

Bridge repair was addressed above.

Next, the cursory review of the Corporation's agreements by Bill Francis. Bill sent Millianigan attorney, Debbie Beaverson a memo. Does Millianigan qualify as Homestead per attached Council v Dept of Treasury and IRC 216? Four things will need addressed:

1. One class of share
2. Occupy owned or leased
3. No stock distribution, only on liquidation
4. 80% of the income diverted by the tenant or stockholder

Doug Brousseau, the county assessor never spoke to Tim Schnell as requested before. On the memo from the State, Doug referred to PRE again. The PTE letter was sent. Jeff Garcia, PT explained that based on the law, we will need Attorney to approve that we are qualified. Bill gave all other information to Debbie on Tuesday, May 21st. Based on this Debbie called Bill and spoke to him. The Attorney has the software to research on-line in Michigan. She found was that no criteria is given in the State of Michigan, she will need a case number. Debbie will revert back to the cases. Within our By-Laws originally, all of this was spelled out, upon incorporation in 1978 this had to be removed? Dave Denler stated was not comfortable with Debbie handling this? We might need a special super attorney that handles only this? Tim Noveroske stated that

maybe we only need a written statement from the attorney for the assessor. More discussion occurred on the attorney. If the corporation is Homestead legally you can take the tax exemption. Homestead may not end the Partition per Dave; he spoke to two attorneys on this. Mary suggested that a committee be assembled for the pros and cons. If they invest in their cottage will I get back my investment with these changes? Is this an assets or hindrance? Dave stated that the Homestead issue came up after the Partition; he thinks should go to the board before it comes to the members. Mary thanked everyone; Mary would not vote to abstain but needs common terms living agreement. You cannot please everyone. Bill stated the PRE will not change the structure, becoming recognized as a Cooperative Corporation reduces the property taxes for the corporation. The worst thing that can happen is that nothing will change. Homestead will enhance the Corporation. You can file a Partition on your own and the Corporation will not pay for it as long as I (Bill) am President. Bill recapped the By-Laws, Rules and Regulations and Occupancy Agreement will need new changes to reflect the changes in Michigan Laws. Trust will need addressed also? Bill will meet with Debbie Beaverson and then come back to the body. If you want a Super Attorney, you can pay for it stated Bill. Tim Noveroske read the letter from the Riparian on the cottages passing down without uncapping for taxes. He asked if there was a set of rules on the transfer of ownership for the capping or uncapping. Bill stated that the Public Act is not clear on trust but the House Bill was. Regular estates pass as stated in the Act and Bill uncapped. Discussion occurred. Mark McCullough asked about Profit verse Non-Profit status of the corporation will it reserve gains on the sale of a cottage. Bill asked if anyone had further concerns on By-Laws, Rule and Regulations and Occupancy Agreement, to direct them to Dave Denler, Mark Stroud or himself in the next week. Focus on the corporation on tightening up the language. Mike Bell the Attorney reviewed in September 2012, he could not find anything wrong.

New Business:

Fee for late payment of dues was addressed. There will be three notices (email, telephone call and then certified letter) before the fee is levied. The fee is \$150 on top of the dues that are late. Dues are due January, May and September. Remember you must be a member in good standing to vote. This was the Executive Board discussion. There was discussion on this issue. It was requested that the Treasurer send out a reminder when dues are due. The piers will be put in at a later date. Look at next Saturday at 1 pm weather permitting. Bill stated the Debbie Beaverson was the best Real-estate attorney in Elkhart, Indiana and has both Indiana and Michigan licenses. Motion was made to set up a time with Debbie Beaverson, attorney to review all of the corporations, By-Laws, Rule and Regulations and Occupancy Agreement. The motion was seconded and approved.

Motion was made to close the meeting, seconded and approved.

Respectfully,
Millianigan Secretary
June A Stroud