

**MILLIANIGAN SPECIAL MEETING**

**SEPTEMBER 21, 2013**

**10:00 A.M. IN/MI TIME**

- I. CALL TO ORDER/ROLL CALL**
- II. PROOF OF NOTICE**
- III. READING OF FALL MEETING MINUTES for 8/31/13  
(APPROVAL/WAIVE)**
- IV. TREASURER'S REPORT**
- V. BUSINESS TO BE ADDRESSED**
  - A. FINALIZATION OF MILLIANIGAN PROPOSED SITE PLAN**
- VI. ADJOURNMENT**

**Millianigan Special Meeting**  
**September 21, 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, Ewing, Fredlake and Wail. June Stroud stated that there are three proxies: Ewing gave theirs to Dave Denler, Fredlake gave his to Andy Walter and Wail gave his to Dick Bruno.

The minutes for the fall meeting on 8/31/2013 and Treasurer's Report were waived for this meeting by the President due to time restrains.

Business to be addressed: Bill Francis stated there is only one item that will be voted on. That is the land division; in terms of how much land goes for each cottage. That is the only thing that the proxies are good for. Bill read the site plan from May 12<sup>th</sup> 1981. This was the original site plan that had been approved. All we are asking for is a land split and to change our personal property to real property. Thus, allowing members to obtain a deed. The water, sewer, gas lines are all in and they all have their easements. The corporation itself has a master deed. That was spelled out in our articles of corporation, the by-laws, rules and regulations and occupancy agreement. Now today, we have a proposal that we want a deed for our property which is a land division within our corporation of 7.01 acres of land. This is what we are asking the Planning Commission to approve. Once this is done we will need to develop a new master deed. This will be the time for new by-laws, rules and regulations and occupancy agreement. This is not part of today's discussion. What is up for discussion is how we want to split up the land for 15 different sites to obtain a deed. Bill gave each member 2-3 minutes for discussion on their thoughts. Dick Bruno drew up another site plan. This plan had two options. We need to include all discrepancies all areas are included. He thought this is not now done. What are we going to do in lieu of the tax situation? He stated that Bill and He had additional information given to them Thursday, August 19<sup>th</sup>. He believed that we need a more definitive answer before proceeding. Dick stated that the before the taxes were to be based on the width of the houses? Bill stated that was four years ago that the Assessor told us that. Dot stated that she knows that the land division cannot be equal. In the back there are county setbacks and in the front if given more everyone walks across it anyway. Dot doesn't want more taxes. Paul Gill stated that he wants to hold off on everything until he finds out more on the taxes situation. Mark Stroud stated that when June and I bought the property, for retirement to be able to get back into ventures we enjoyed previously, fishing and nature that took a reprieve 40 years ago . This is becoming harder and harder, this is a business adventure. In a business adventure you look at all of the options, I do not like the way it is going. Mark stated that he wants to know the tax situation before going forward. On the size of the land that is not important, he does not want more bills. Arlene Bruno is concerned on the uncapping also. They plan to leave their property to their children. As it is now the property will pass to them uncapped. If the property is uncapped then the burden would be on them. Arlene stated that in the approximately 36 year, we have always allowed building. She feels that individual can come to the corporation if they want to do more. Bill Sabodor stated that the square footage will not be equal. When you purchased the cottages now, they are not equal. He stated that the corporation always stated that you could go behind the cottage (12-16 ft) to the road. You are trying to make it more complicated with extra spaces to make it equal. You are going to turn around and raised taxes; we were told they should not go up. Taxes always go up.

Bill Francis stated that 50% of the taxes were paid by the first 5 cottages in the beginning. Greg Wilson stated that he is looking at it differently, this becomes our asset, our investment. Doing it this way will increase the price of the house; more than the increase in taxes will justify it. This will increase the price of your house. Mark McCullough wants to keep things as they are. The taxes will go up. The Assessor keeps flip-flopping. I am with Bill Sabodor on this, when you bought in you know what you were buying into, you knew there were restrictions. Stay within the perimeters of the rules and regulations. It is what it is. Larry Lubs stated that he thinks there is a basic layout already in place as to where you can build your house. He does not believe this would change that by much. He stated that you know that the numbers will not be equal. I also look at somewhat as an investment. If you should have to sell for some reason, you should be able to get you full value for it. Tim Noveroske stated his biggest concern is the threat of a hostile partition. There is a reason to go ahead is for the allocation of the land with the deeded component to protect us from this. This would allow a loan to be taken out at a bank. Inadvertently this should raise the value, I don't care about that. I don't know enough about the taxes. As far as the site plan, as a corporation I would like everyone's rights to be protected. He would like a linear curve in the back and set the property lines in stone. Irene Noveroske stated that she does not know how this works with other companies, but she has a friend that does appraisal. This friend has done appraisals at a place on Berrien Lake that is similar to this; they fill out a different form for the bank. Chemical Bank does give them loans. They have the first right of refusal like us and can get a loan. Their corporation is very similar to us. There is a way to get a value out of your place. Dave Denler stated that he believes everyone knows his opinion on deeded property and why. The benefits we would collectively enjoy. The comment on the taxes is premature; this is a process. The tax issue is dealt with down the road. We have to have a plan in place to base their opinion on. I had a conversation with Mike Bell (attorney) and he confirmed that uncapping only happens on a legal transfer of your property. In our case the ownership would not change; they would have no legal base to uncap because the ownership would not change. Uncapping is the wrong terminology, we are now paying taxes on personal property and that would get converted to a deed and the value of your personal property would get transferred to that deed. The zero sum change would happen; legally the only thing that could be taxed differently would be the footprint of property. That would get transferred from the corporation to you personally, that would be around 1600 sq. foot of channel front property. I do not believe this would be a financial stretch for anyone. The value is not there. This is an issue that should be dealt with by the attorney in a legal manner. We need professional opinion on this. The process at this point does not involve the taxes. If we get to the time when we find out the Mike Bell is wrong and everyone's taxes go to \$5000 to \$10000 we have the ability to stop the train at any juncture. Andy Walters stated that the assessor has given different answers and we will need a legal opinion for this. It does not matter as an investment as I would never plan on selling but anything can happen to anyone. If you have to sell tomorrow if you can double your money it would go to my family. As far as breaking this up, it will not be equal. I believe the original plan "A" everyone is within a couple hundred square feet. It is pretty much what we have now. June Stroud passed. Bill Francis stated when he started the thought was that the 15 dwellings would be encased in a big box like condominium. Within that condominium there are 15 units, the division between them is the same as a hallway and stairways and so forth. The concept was that we would be a condominium like association. Since we are already pre-existing, and have already presented a site plan in 1981, the only thing that would have to be added to it would be how we would divide the land. Most places that have property on lease land are camp grounds,

mobile homes or homes built on Indian reservations. We differ from all of them, because we lease the land that we already own. He made an example of friend that owned a cottage on leased land, the lease was about to run out. They had to sell their cottage for less because the lease was running out and the value of the property no longer held. We are none of the above. We have to think in terms of a site condominium. The master deed would include the restrictions, taxes, by-laws, rules and regulations, etc. to cover the whole unit. Within that master deed you have to have a covenant that covers individual cottage. That is down the road. At any time along the line you can stop the process. The only thing you are voting on is the land separation. Bill stated he does not care about the square footage. But if you want a deed, there is no way in the world that they will be all equal. There will always be someone with 300 or 400 more sq. feet. If they want to pay the taxes on it that is all well and good. In 10 or 15 years they will have bought the land in terms of taxes. In terms of the corporation you must think in the sense of broad term; you cannot just pick little unit out and state that is it. The only thing we are voting on; either up or down or to table is the site plan. Everything else is down the road and will need handled by a lawyer. Because we are dealing with 15 different shares you have to go slow until we can agree with what is going on. Dick Bruno asked on what plan we are voting on. Dave Denler stated that we could probably eliminate the concept "C". He did not believe anyone was in favor of this one. Dick asked if we agree on one plan, what are we doing then. Bill stated that this would then be our site plan to go to the Planning Commission. If they approve it then we would go to the Master Deed. This is where you have to get the lawyer to set up the guide lines, taxes and the whole thing. Dick Spoke again about the assessor opinion on the tax structure (uncap). More discussion occurred on uncapping. Dick then stated how this will increase the value; we are not lake front property. He spoke to Virginia Gard (a realtor) who indicated, you are not on the lake and you cannot get a full value loan because is not lake front. The loan will be on the deeded property, which is not on the lake. Dave Denler stated that he does not agree. The value goes with the ability to get a mortgage. More discussion occurred. He did not think that anyone is interested to pay lake front or channel front taxes. Yes there is a trade off. The value increases when someone is more assessable and more obtainable to purchase on the market place today. More discussion occurred. What we are talking about is a site condominium. Bill stated the purpose is to determine what we want for a land spilt. Bill stated that we have to set up under PUD or they won't approve it. Everything we want to do in the future must be in this plan. An example would be that Andy wants to build. If not in the plan, he would have to conform to the present zoning ordinances. We must look in the future for individual development for those that have not done so. More discussion occurred on various site plans. The road can be moved, our main road in a plan development is Twilight Street. Dick Bruno site plan was passed out to all. Dave Denler agrees that a straight line in the back of the cottages would make a smooth transition.

Dick Bruno made a motion; In light of the latest information regarding uncapping presented to us by our President Bill, I move that we cancel a vote on the plans that have been presented and remove it from consideration and continue to work on this. If in the future it is determined that it is in our best interests to move forward with this project, then the President will appoint 5 group of 3 home owner starting at one end and proceeding to the other with the groups being made in consecutive order. These groups will be charged with the responsibility of considering all possibilities of lot make-ups as well as any ramifications. These five plans will then be presented to a committee of the whole to determine a final plan to be voted on. This motion was seconded.

Discussion occurred. This motion was withdrawn. Dick Bruno made a second motion: In light of the latest information regarding uncapping presented to us by our President Bill, I move that we cancel a vote on the plans that have been presented and continue to work on our overall plan. The motion was seconded, discussion occurred. Dick also withdrew this motion. More discussion occurred. A third motion was made Tim Noveroske; To have Dave draw up the latest plan to take Dave Denler plan "A" ( front) and back to the road like Dick Bruno plan. The motion was seconded and discussion occurred. The motion was approved. Bill stated the once this is finalized we would need permission to spend the \$480 to go to the Planning Commission. Greg Wilson made a motion was to spend the \$480 to apply for the application to the Planning Commission. The motion was seconded. Discussion occurred. The motion was approved. A motion was made to adjourn the meeting. It was seconded and approved.

Millianigan Secretary,  
June A. Stroud