

Annual Owner's Meeting

April 26, 2014

1:00pm

Richard Glomski: I would like to open the meeting of the Fox Hills Owner's Association. Today is April 26th and it is 1:00pm. We do have a quorum present. I am Richard Glomski your President. I would like to introduce the members up at the table here. To my left is Joe Jacobson who is the management team, we have Aaron Kabat, who is also in management, we have Ann Bonneville our Treasurer, we have Vicky Anderson our Secretary and to my right we have Dick Ensley (clarification- Isely) and we have Vicky Anderson (mumbling) oh, (laughing)...I mean Amy MacMillin, I'm sorry. Her maiden name was Anderson so it wasn't a total mistake. She was newly appointed to the board due to a vacancy. Now we can continue on with the rest of the meeting.

I would like to say the management has done an excellent job here and we have almost completed the projects we have out there for the past area and if you have been in the condos they are greatly improved. I think we have a greater value there than what we had even a year ago. We have acquired Gold Crown status which Joe will elaborate on a little bit later. (Applause) This is going to be a challenge for us to maintain this status and I think if we keep working like we have, I think we can do it. We are going to need your help. Anybody that fills out comment cards please be generous with your comments; it helps.

At this time we will do the financial report and Joe will do that for us.

Joe Jacobson: Hi, good to see you all. If you go to the second page of your of your handout, Fox Hills Owner's Association 2013 Income Statement and 2014 Operating Budget. You start out up at the top with the dues revenue and the total revenue. For those of you who are not accountants, which includes me, you will see it says cash in the budget lines and accrual in the 2013 actual. Accrual is what the IRS makes us use. All that really means is that when we bill all the dues in November of 2013 for 2014 we need to count that as income then (clarification - 2014) and if we don't get it all, then we take it later as bad debts. The IRS doesn't do it like we do at home, money in and money out. We have to... it's projected money in. That's where you see the difference between the actual somewhere down the line and the actual accrual. But it's not too bad. We budgeted and we actually brought in, we did well on our billed dues. If you go the number items, there are explanations. I don't know if any of you looked at the explanations on the back, but there are clearly explanations.

***Dues revenue** is number one, that's the accrual which is the amount billed in November.

***The interest income** is number two. That's the interest received from those owners who decided to pay their dues over the six months through the ACH, that's electronically versus writing one check out. That varies from year to year depending on who participates.

*Late fees we don't budget for, that's why that note is there. Those are recorded only as they are paid.

We don't know how many people won't pay timely so it's pretty hard to budget for. Late fees are just put in as they are charged (clarification –they are put in as they are paid).

***Collection Expense.** Line four...or not line four but number four includes credit card merchant fees. Obviously anytime you pay with a credit card, the person you pay pays a percentage to have that processed. And so the Owners Association when you do pay your dues by credit card, there's a fee for that to that merchant who processes that. It also includes county deed records and that varies with the credit card, as I said. (clarification-it includes the set fee to access the county website to the Register of Deeds and also credit card fees which vary)

***Computer Support and Supplies-** Includes continuing improvement to the wireless capabilities. Aaron will get into more of that later, he will talk about wireless. But that is something we will continue to improve for all of your use out there in the condos.

***Bad Debts** are not a final number until our outside accountants have finished their work. A court case in the State of Washington resulted in a large chunk of these bad debts. There was one particular company that was holding...how many weeks Vicky?

Vicky: 60 weeks

Joe: 60 Fox Hills weeks who the State of Washington sued them and they were buying weeks from all over the country and they didn't have any money and they went bankrupt basically. So when you look at the large bad debts this year, we are in the process of recovering those weeks so we can try to resell them. But that is why you will see a very large bad debt this year. That was an action actually brought by the State of Washington against this particular entity. They had timeshare in almost every state, but since they resided in Washington that particular state took the action against them.

***Room Supplies** included some extras for the renovation. The 2014 budget has been cut back to reflect that only one building was left to complete this spring. We kind of put our finger up in the air to figure out how many room supplies we needed when we started this renovation and do our best case estimate, but now we are completed with that and it should get back to a number that is a certain percentage each year.

***Linens** number eight included extra cost during the renovation. 2014 has been cut back to reflect that since only one building is left to do this spring.

***Small Kitchen wares** the budget for small kitchen wares was not reduced as this is an area we will continue to do upgrades in. That's basically based on both your comments and RCI comment cards and we certainly try to take that all into consideration.

***Professional Fees** breakdown as Jacobson group that would be accounting, payroll, things like that. When I took over running the management part of your operation we were paying \$50,000 some dollars a year to ADP, Automatic Data Processing, just to do payroll. Now that \$25,000 covers all the accounts payable, payroll. There use to be accountants on staff out here...the fees were substantially more than that. Nash, Spindler is our attorney. That will go up and down as they work on foreclosures for the association against people who owe for back dues and so forth. We didn't really need them in this Washington case, but they didn't do any of that the state of Washington did, we just got weeks back. Hawkins, Ashe is our outside accountant who checks over everything we do and prepares your taxes. Kind of make sure we did it all ok.

***Pool Maintenance** was up a little because we had several repairs to pumps and heaters in 2013.

***Cable TV** as of this May the cable TV will be all digital. To accomplish this some wiring to units was

needed; actually we rewired every building out there. It was just completed..What two ago Aaron?

Aaron: last week

Joe: last week. Every single one from every unit was totally redone to get to this upgrade in cable.

Charter let us know in January, didn't know anything about this until January and they said we had to have this done by May. So it is completed, they worked very well with us. The contractor they brought in to do this worked very well with us. In May they are switching over to digital TV, the only left is each TV out there, and in the hotel and I assume in your homes, if any of you live in the Charter Service area, all get a new little box on them and a remote and it will be digital. This led us to have a few problems in some other areas. I'll touch on later because we weren't planning on having to do any of that work but nothing we couldn't fix.

***Snow and Landscaping** that number includes besides just doing the snow and landscaping, that number includes new grills outside of the villas we put in last summer.

***Trash Removal** hopefully we are done with this now, we shouldn't need dumpsters for renovations anymore since we are completed but I will touch on that in renovations. (clarification-we will still have trash removal but won't need the extra dumpsters for renovations).

So if you go back a page you will see that we have a net operating loss of \$19,651.00. That's an accounting number not an actual cash number.

Aaron in background: There are a few more items on the back.

Oh sorry, I have to go on another page, sorry. If you turn that page you will get to item 15.

***Electric/Gas** obviously our bills were significantly higher in '13 and now again in '14. We've had two very long winters and if you remember last June we had the heat on until almost the middle of June last year. This year might be a little better but it's been a very severe winter. We are still not back up to where our energy costs were about five years ago when we did a bunch of measures to reduce it so all those measures have paid off. So we hopefully will continue to hold that the best we can.

***Real Estate and Personal Property Taxes** this is a good note that hardly ever happens. The village of Mishicot did a reassessment in 2013 and we got a significant reduction in our property taxes. I can't take credit for that one but it was a nice deal.

***Renovations and Repairs** that will be on our Capital budget line item which we will get into in a little bit.

***Penalty** this was taxes owed for 2011 but we have a carry back of loss from 2013 that will reduce this and we will actually get money back.

***Depreciation** it's not a final amount until the outside accounts have finished their work. We take that to Hawkins Ashe and they work on that for us. Like I said they go over everything we have done.

***Federal and State Income Tax** this was a refund of 2010 taxes paid after carrying back the 2012 loss.

So now if we go back to the original page we started on, as I was saying we have a \$19,000.00 accounting loss. If you go up to line 19 Depreciation, that's a non-cash item. It's just an accounting credit we get, it doesn't cost us anything and Bad Debts is a significantly higher number as well, but we didn't spend that money. It's just money that we wrote off some of these 60 units we got back - might of owed

money from 5 or 6 years ago. That's an accumulation of dues of all those units written off. So in actual cash we are in pretty good shape. We aren't \$19,000.00 negative.

(Mumbling)

If you turn the page to the back side of the Financial Statement where it says FHOA Capital Budgets, Maintenance and Repairs. (Rustling) This was our budget of what we would call our renovations, things we are doing that aren't routine maintenance. And that's been this ongoing project that we have done. Four years ago your board of directors approved this project to run over four years that would have been three years in November, so we are a little over three years for this project until it is basically complete. Golf Villa 6 was the last building that hadn't been touched. That is totally renovated with all new furniture, carpet, paint...everything has been done in there. There's one unit that we are still working on that was done in the first phase, but it didn't get new kitchen cabinets at that particular time. That's Villa 12. Right now we are putting new patio doors, new windows and new kitchen cabinets in Villa 12. That is the only Villa that is off service right now for that work. That should be done in the middle of May. The rest of them are all up and full. We are 100% occupied tonight, hotel and condominiums. We have never had that in April. I think that has a lot to do with our occupancy in general is up, with RCI inbounds, you the owners and hotel guests. I think the renovation work we did has worked out very well for that. People obviously enjoy coming into the much nicer units.

P-Tacs-when you see 24 p-tacs that's the package terminal air conditioning units, the through the wall heating and air conditioning units in your condo. Obviously they were all put in, in the '80s when those condos were built. They are all 30 some years old. There's 200 and some out there and I think we changed about 90 over the last 3 ½ to 4 years. Each year we are having more and more fail. So we try to change enough out to stay ahead of the game. I actually did 30 not the 24 budgeted. The old units went right down to the floor and the carpet was cut around the units so I tried to replace p-tacs where we replaced carpet so we didn't need to patch in later. That's why we did the 30. We do a couple of roofs each year. Water heaters as needed it's not really something... we just kind of guesstimate it. I'm not really sure we did six in fact I know we didn't do six. Carpeting, that was total villas, actually we did more than that...let me grab my notes....we did Villas 11, 15 and half of 13 and Golf Villa 6 all got carpet this winter. When we started this renovation 3 ½ years ago, we told you when we announced as a board that we were going to change things as they needed it. We weren't just going to tear the carpet out if it still had life in it and it was ok. This should get us about ¾ of the way through the carpet and this will just be ongoing until it has all been changed. A few years after that we will probably have [to replace] some that we did 3 ½ years ago. It's starting to get to that point. Putting new kitchen cabinets, patio doors and windows in 11 and 12, 11 has been done. I haven't seen them but they tell me the new windows are marvelous and look nicer. I assume the new doors will be much nicer and slide a little easier. That is one of the long-term goals of the board to change out patio doors the bathroom windows in the units. That will be ongoing now that we are done with the rest of the work. As far as kitchen cabinets, 11 through 15 will be totally done now. All the golf villas are totally done. Villa 3 is done and ½ of 20 and ½ of 2. Over the next couple of years we will have 100% of the kitchen cabinets done, that's another ongoing project. TV's ~ every living room now has a 42" flat screen TV except for one in Villa 1, which will be changed this week. In the golf villas all the bedrooms have flat panels on the wall, as well. In the inner

part Villas 1-15 and 20 we will continue to replace the bedrooms as needed, so many a year but the goal obviously is to do away with all the tube type TVs and eventually be flat panels over the next few years.

The pool floor- we had the pool floor on the capital budget to do, anyone who was in the pool sees it's not done. We had bids and we were ready to do the pool floor and then I called your president up, Richard Glomski and I said Charter just called us up. We have to rewire every building and they are telling us it might 70 or 80 thousand dollars. Obviously, we didn't budget for this so do we hold off on the pool floor? That was a \$50,000 deal we budgeted for. We decided to do that and it turned out Charter didn't charge us anywhere near that. The initial estimates were about \$38,000 and we ended up in the high 20s. But we didn't know at that time so we didn't think it was prudent to go ahead and do the floor. By the time we found out what the project would cost, they just finished up, it's too late to try and do the pool floor now. Our occupancy is up too high now so it will have to wait until next winter. I apologize for that but we really didn't know what we were up against with this wiring and we didn't think anyone would be very happy if they couldn't watch TV when you came. That's why that one didn't get done. It is clearly something we think is very important and is on our list to do.

Painting outside of buildings, I don't know if anyone here noticed the two that are painted over there they are 14 & 15 (clarification-the outside of 13 & 14 are painted). You can comment to my decorator over there how they look but we will continue to change roofs and paint buildings, so many a year so we are on an ongoing cyclical renovation and we don't need everything to be done at once. That's pretty much all I have for financial. You clearly will be free to ask questions about it later and if they are too technical I will get the CPA to talk to you over here because I just do the speaking for her. She is the brains behind the financials.

I guess I can stay right up here.

Sub-committee reports

Resort Affiliations & Scores

As Richard said we made Gold Crown, that's marvelous. Who would have ever thought that with where we all started this. That's because all of you kicked in that special assessment we did about 4 years ago, that's what kick started this-we could pay off the back property taxes. That was about \$50,000 a year we saved in interest that allowed the board to go ahead with this. It's just been marvelous, the comment cards we get and the comments we get from RCI inbounds obviously they are the ones who rate us on this. We are on track at this particular time, the scoring period ends in August-it goes from September 1st until August 31st and we are on track to keep Gold Crown. As Richard said RCI has warned us that their RCI inbounds will hold us to a higher standard now that we are Gold Crown because we weren't before. We think we can hold this. We are going to do everything in our power to hold it. When Richard mentioned comment cards before, we're not asking you for a free pass. If there is a problem in your unit, chew us out. Call us up. Fill out the Fox Hills internal report, but don't ding yourself with RCI because that's your trading value. Don't give us a free pass; let us know if there is an issue so we can fix it before the next guest has a problem. But clearly it helps if RCI gets a good score from everyone who is a Fox Hills owner. The RCI ones we have to work hard and earn. We're going to work hard to earn yours

as well, but we hope for a little help because it is in your benefit. Some board members are telling me that they had more points for their week, not points accounts but weeks. I should say their week value is up when they went to trade. That's the direct result in us getting Gold Crown. You probably wouldn't have noticed that until January 1st because that is when it takes effect. I don't really have anything on II (Interval International) but I do have some questions out to RCI that I didn't have answered for this meeting. If you are a point's owner, I am trying to find out why they want to charge you to come in to your own resort. They have a real small window now that you don't have to pay to come back in and we have told them we don't like it very much, but they haven't responded yet to my inquiry. We'll get that out in the Fox Tales as soon as that happens and on the website.

Sales, Resale's and Marketing

Three years ago we hired a company called Compass Resorts; they did a good job for that first year. We were all happy they sold 60 some units. One of the partners in that company kind of semi-retired - told us he was going to continue to work hard. We set up a sales plan with him each year but we knew he was actually retired not semi-retired. He didn't do much. The person, who actually sub-contracted with him three years ago and actually sold those 60 units, Bi-Coastal Marketing, is really excited about coming in here. They are coming in with a sales team on May 5th. We feel really confident that he can sell both some of my weeks and the association has some weeks through foreclosure and will get some more back through that court case. Which we want them to sell the home-owner weeks as well because that is more dues, paying dues people coming in. We're pretty excited we can make something happen there. Aaron and I are working on that.

Facilities Management

I guess I got ahead of myself; I kind of touched on this in our renovations. I got a few other items. If you were down by the Rec Center at all, the pool building, you saw there is new soffit and overhang. We need to paint the lower part of the building, that was done late last fall but it got too late. The building looks 100 times better. The lobby was opened up and there are places to sit down there. If you have been in the lobby it looks much better than it did. I think I am pretty much done with facilities management, I told you all of that in financials. It has been a real pleasure over these last 3 ½ years to work with your board and to work with the staff out here and you as owners. Your suggestions...a lot of what we do comes from your suggestions and when we read the comment cards. I think the buildings look beautiful. The insides are just really nice. It was a big job but it really didn't seem that big because we had a lot of people that worked together and gave input. I guess I am going to let Mr. Kabat talk because I am running out of things to say and that doesn't happen often.

Aaron: Thank you Joe. Good Afternoon everyone. Just to recap a little bit about last night. We held our owner's reception, had approximately 125 people. It was a very nice evening and was nice to see a bunch of you out there. Hopefully, next year more of you can get it on your agenda. We will be holding that on Friday night before the meeting next year.

A few highlights and things that are happening here, from the resort end of things. We have updated the fitness center. For those of you that haven't been down that way, we have replaced the majority of the

fitness equipment in the fitness center. We replaced all of the weight lifting equipment and we also replaced all but the bikes when it comes to the cardio equipment. We also added some of the elliptical. So if you haven't seen that take a walk down it is right next to the hotel pool down here.

The wireless internet, this is an ongoing process. It does get better day by day. What we have found is that the capacity fluctuates from time to time, throughout the year, based on occupancy so we are toying with the amount of modems that we have on property that we use to power the signal that goes through the resort. We don't want to put any more modems out than we have to because they are fairly expensive but we do want to make sure when you have internet it is something you can use. We also have instituted a notification system that will alert myself, our IT person and the front desk when we have any problems with the wireless throughout the resort. But with that said, please, if you have any issues while you are in your condo, make sure to let us know right away. We will do whatever we can to address those issues and, hopefully, as we continue on with our cable rewire that will sure itself up as well.

The website, we have redesigned the website over the course of the last year. Some of you may have seen it; it has a really neat new design. In doing that we integrated the owner site right into our website. You'll notice that on the top right corner there is a link, I believe it says Owners Association. When you click there, you will find all the information we had in the past, but we have added a few new things. There is a [frequently asked timeshare questions](#) on there. That section will tell you a little bit more about what it means to own a timeshare, if you don't already know, most of you in here probably already do. It also gives you some insight into RCI as well. A lot of times you get questions on trading out or what RCI value does for your ownership, there's some general information there that hopefully will help. If you ever need more help with that, you can feel free to give us a call, Vicky Anderson is real good with RCI and things.

Golf Outing

We have our golf outing set and we have held ourselves to that last Saturday in September. So this year it will be the 27th. By request, we have also contracted the band Rocker to come in and play that evening. We're trying to step up our efforts there a little bit so we hope golfers and non-golfers will come and join us for a fun weekend that last Saturday in September.

We will be hosting a light lunch in this very room today. We will have lunch around 2:30pm or shortly thereafter if we would happen to adjourn later than that. The Keystone Bars are open also and we will have free tap beer and soda, correct Vicky? So if we adjourn early, the bars will be open so you can go and get a glass of beer or soda and then lunch will be served promptly at 2:30pm.

Entertainment tonight is Bobby Way and the Way Outs. This is a recommendation from one of our owners and we are very excited to have them here. Tickets are \$5.00 and if you haven't bought your ticket yet, you can buy them at the door. Doors will open at 6:30 and the band will start at approximately at 7:00pm. From what I understand they play a little bit of everything, is that correct Dave? Alright.

We will be doing a WebEx, which is like a Skype session with RCI after our meeting today. Gretchen has set up in the Riviera Room so if you exit this room and take a left you will see the glass door right before you go down the steps to the hotel. It is going to be an individual for one on one basis with the Rep from RCI. We do ask that you keep your time limited; since there will probably be several people interested in talking with RCI, so please be courteous to those people. If you do have something extensive, I am sure they will set up a meeting with you later as well.

As I mentioned before the meeting's start, there is a slip on everyone's table that has a spot for name and e-mail address. If you could fill those out, if you haven't already please, if you don't have e-mail feel free to put your home address on there. Richard, if you don't mind before the end of the meeting, we will have Kris go around and collect those and we will have a drawing for a free weeks stay at Fox Hills. One person will go home with a free week.

RCI has charged us a rate in the past to attend this meeting (clarification-we paid for their first class tickets, car rental and food/lodging). They volunteered their time today, with the exception of having to travel (clarification-we avoided the expense of travel by doing this today), so this is a new thing that we are going to try out-meeting with them one on one through the WebEx and we would appreciate your comments. So if you do meet with them, let us know what you thought of the process. It is a nice cost savings for us, so hopefully if it does work out, we can continue on this route in the future, but we would like to hear what you all think of it. With that, I don't have anything else; I will turn it over to your president.

Richard: I think we should give Aaron a hand. He has been really been doing a wonderful job. (Applause) He's the one that keeps the wheels on the wagon. And I think Joe and Ann really deserve a lot of credit for the development of the project that we did. (Applause) The rest of the board has really been very cooperative and worked hard at a lot of these things so, I hope you appreciate it. (Applause) I would like to thank the Fox Hills Staff for last night. All the work they went through to have the wine tasting and the cheese plates that we had last night. (Clarification-the event is a welcome reception) I tried to get around to talk to a lot of you. I talked to some of you, but I didn't make it all the way around. I'll be around late. After the meeting we go down and elect the officers for next year, the board, so we'll be missing shortly after we adjourn, but then we will be back up to mingle around. If you see us, feel free to ask us a question that you don't want to ask online, I mean on microphone.

Like Aaron said, this webinar that we are doing here, it's an experiment. It was an idea that was brought up by Dick here and he thought it would be a good cost savings; and if it works out, it definitely will be. They're going to have somebody over there to help you along a little bit. If you're afraid of it, give it a shot. If you have questions and want to talk to RCI, here is the time to do it. We would like you to use this and like Aaron said, report back and let us know. If you don't like it, let us know that too. We were trying to have a representative every other year and if this works out, we could do this every year. Possibly we could have them come in, in person, occasionally if they have something new to present.

The board members e-mails are all on the new website. So if you want to talk to the board members, you can do it that way. We get comments occasionally that you want the board members to address - that's a good idea. We will try to get back to you if we can.

In the future, we are going to try to get some seminars together. It may not happen until next year this time. If we get them together sooner, we will do it sooner. But we would like to get some seminars where we get some people who are knowledgeable on trading and getting places. Things that RCI hasn't necessarily shared with you. Things that people have learned from experience; and we think that this might be nice for people to share. So we are going to try to get something set up like that. We just touched the tip of the iceberg with that conversation, but we're going to try to do something like that. We think it would be very helpful.

Basically, I think it is time for our question and answer period. Anyone having any questions - please step up to the microphone, speak into the microphone, state your name and we will try to answer your questions.

Unidentified female- does cable charge you extra now for each additional box that you have to have?

Richard-Actually we have shown a reduction in cable, did you want to elaborate on that Joe?

Aaron-Actually with the services we have contracted, our bill will go down per unit. We have boxes on every TV; however, we haven't upgraded to the highest package, so we are being charged per building rather than per unit, so it dropped our bill by \$2.00. So we are hoping to use some of that cost offset to improve the wireless service at the resort. Once the budget settles in and we see what the charges are, we will make some of those adjustments. We had lost some channels, like the golf channel, but we will be getting all of those back and some additional as well.

Unidentified female-Have you looked into alternative options like satellite?

Aaron-absolutely, when all this came about we checked every available option. Charter- we are kind of stuck with because they have no cable competition. We looked into satellite, but the cost of hardware was too expensive. We would have to have a dish for each unit and a receiver that would need to branch out to all 22 buildings. The upfront cost for the hardware basically took any satellite provider out of the picture.

Unidentified female-my name is Mary Nimmer.

My name is Ray Ogea-you mentioned you were going to have resale for the organization and for the owners. Can we put ours into that same company for resale?

Richard-Joe you can go ahead and answer that.

Joe: I don't see why you couldn't. I, as the developer, worked out a deal. I put my developer hat on rather than my management company hat to contract this company to sell the weeks I had, but your board of directors, in protecting you, said we should sell one owner week for every 5 developer's week

that is sold. At that time the association had more weeks than they do now. We talked about this morning that the owners association has 10 and they will be getting more back because of the Washington case (clarification-they have 10 because of the Washington case). There is a resale list that a bunch of you are on, that we should take some of them and use them when the owners turn comes up. If they sell 5 of my red weeks, they are going to take one of them from the association (clarification- If they sell 5 developer weeks then the next red week sold would be from the owners resale list). If this works out, I hope we can do a lot more resale with this company. First, we have to get someone in here who can sell. As you know, I have tried many times. That would be the goal that anyone who wants to get out could get out. First, we have to get them in here and get them selling.

Mr. Ogea: Ok, thank you.

Richard: Yeah, last year we had a bit of a bad year, we didn't start out well so we are kind of like starting over again this year. The board also has a couple of other ideas that we are working on, but we haven't quite worked all the details out on. But we are trying to do what we can to bring up the value of your properties so that we can get a resale program going again. I think this remodeling is going to be tremendous in bringing that about and I also think that if anyone wants to get them sold, we will be doing a lot better. Hopefully, this will get things going; and if that doesn't, we have a plan B that we will put into action. Until we get all the nuts and bolts together on that, we're not really ready to present it. First, we have to see how the program goes. If the program goes, that we got now, there may not be any need for further action. Otherwise, we are still going to work on your list. We are trying to work a resale program through the organization and I think we will. Go ahead sir.

Is there any....I am David Kolbs....is there any organization that will accept a timeshare?

Richard: You can give them; sometimes church organizations will take them.

Mr. Kolbs: They won't take them, Rawhide won't take them.

Richard: You get calls all the time from people wanting to buy your timeshare...be careful when you enter into these conversations with these people. Most of them are not true. If we can make it work out on our level, I don't think that we will have a need for that. We've been working pretty hard on it.

Joe: If you remember a few years ago, a gentleman stood up in a meeting and had two he wanted to give away and some other owners took him up on it very quickly. See Vicky, give her your name. She does get people looking for them sometimes and they may take it from you. Hopefully, very soon we won't need to worry about this anymore and we will be able to get you something for it; but in the meantime I would talk to her. Just give her your name if you are interested in doing that or I think it was two years ago a gentleman just stood up and was able to give two units away.

Mr. Kolb: I have one week that I am willing to give away. Thank you very much.

Richard: yes sir.

I'm Greg Bannach. Last year at the end of the meeting Sandy Siewert had a question about if people know these other people who aren't paying up their dues. Have you found out the legality about posting these informationals? Joe knows what I am talking about.

Joe: the attorneys didn't think that was a very good idea to do.

Mr. Bannach: There is no way to bring in a kind of gentle stick?

Joe: Well, we do more than a gentle stick. If they're not paying, they get letters taking them to court action.

Mr. Bannach: But going one more step, not being able to find these people and there is people that know of them.

Joe: Well, they didn't tell me we couldn't do that. If there is somebody that we can't find, I don't think there is any reason we couldn't put that in the Fox Tales that we don't have contact with information for these owners anymore, does anyone know where we can find them. That's a good point. I forgot that part about it. When we talked to the attorneys, we talked more about they weren't paying. As far as finding them, that is a problem sometimes, people just move and they don't think to let us know.

Mr. Bannach: ok, moving on now, about that recycling policy have you ever done anymore about that for the units, so it is more user friendly?

Aaron: Currently we are asking that you collect them separate from your garbage and set them out at the end of your walk and we will collect them.

Kurt Keller: I was just wondering if there was a balance sheet that could be made available? And I was curious about the P-tac units. Are they the digital thermostat ones?

Joe: That's my fault, we usually announce that we do have balance sheets available for anyone who wants one. They are up here. Yes, all the new P-tacs are eliminating the wall thermostats that were confusing to some people. They're digital right on the units themselves. They are easy to control. They are all heat pump units and they are the most efficient we can buy. So far they have been working very very well. I'm going to guess which buildings have them. I know villa 6 has them, villa 11 has them, I think 12 has them, 13, 15 probably since we just did carpet this year. There is like 6 of them that have them in. I think it is maybe villa 8 that still has the old thermostats in yet that we started replacing and they hadn't gone digital yet. We are doing the same ones in the hotel as we change them. Instead of just turning that knob when you go into a hotel room and you don't know, is 4 or 5 really warm enough or cool enough and you come to your room and you are either freezing or hot. These have digital degrees just like you have in your homes, so it makes it much easier to set it.

Richard: Do you want to step up to the mike?...(mumbling)

Richard: No.

Voice in the audience: Is there any plans to do the driveways and the parking lot?

Richard: Yes, we realize that and they are doing some patching right now. It's obviously going to be a big expense. So we are looking at that and it definitely will be done. We had other things that we needed to do before we did that. So, at this time we don't have a plan for it but as soon as we get some of the other things financially in line, we'll definitely look at that.

Joe: Sir? We didn't put it in this year's budget because we were still finishing up the last of this renovation project, but it may be one of the things that has to go into next years. We are looking at our options, how much it is going to cost, we might have to do it in sections but it is one of the things we are looking at. Richard has proposed some alternatives like recycling, since he is on a town board and gets to these municipality shows, meeting and conferences; there are some other options out there that could be a cost savings to us. There is no doubt with the associations black top and ours at the resort, they have seen their better days. It's just a big expense and we want to do the inside of the hotel rooms and units themselves first because we would have a beautiful road leading up to them and then you get inside and didn't have much, it wouldn't have worked too well either. So we have been trying to prioritize but that is something that clearly needs to be done.

Diane Tappa: We have been owners for over 25 years and we really have had some wonderful times here at Fox Hills. Our children were younger, much younger, and now they are in their 30s to 40s and we have used our RCI in other countries and things like that and I don't know how much more we will do that. If we want to give it to our kids or...because we were talking to some other people, and we were just saying that we are getting older and we aren't getting the full benefit anymore and now we have so many points added up and try to call to try to get somewhere and you can't get in there. Then they say you are going to lose them and last year we lost some so I am just trying to do the thing because every January you got to pay your dues and we don't want to lax on that or anything. So we are just trying to figure out the next step we should do. Can your kids just have them or I guess we are just trying to figure out what to do at this point.

Joe: You can deed it to your children or anyone. You have a deeded week and if you don't know how to do that Vicky would be happy to help you with that. She does that, knows how because she does the deeds for the weeks we sell or if we get one back from a bankruptcy, death or something like that. So she can clearly help you but no, you can give them to anyone you like to actually: your children or sell them or whatever.

Diane Tappa: Yeah, cause selling them is like another story to get some money out of them. I don't even know what we paid so many years ago. I don't think it is as much as they are getting now. I just don't want to let it go.

Joe: It is difficult but she (Vicky) can help you with the transfer. Thank you.

Greg Bannach again: Adding on to that, now that we are getting older, how about quit claim deeds upon death? As far as in our wills, kind of building on what she is trying to do as a living thing and I am looking at my will as going further for my kids. What is that process? Is that just out of the courthouse?

Richard: I think that is basically the same thing, if you will it to someone. You have the right to do that, you have to have a transfer of deed just like you would in her situation. But that can all be done. You can will it to anyone you really like.

Greg Bannach: That's done through the owners association or through the courthouse then?

Joe: Through the courthouse, that is where your deed is.

I'm Melody Bannach, what he is talking about is my father just died in January and we quit claimed the house to us four kids. Can we do the timeshare like that upon death? Put in the will that it gets quit claimed to the children?

Joe: Yes.

Man in the distance: Did I understand you right that if it is someone I don't really care for I can give them my timeshare?(much laughter from the crowd)

Richard: you probably can, you can put anything in that will that you want. (more laughter) I don't know what will happen to it.

Joe: Just remember that Richard is not an attorney. (more laughing)

Rosalie Klingbeil: With regard to that change in deed, do you have any idea what the fee is? Like to a family member?

Background: Its' \$30.00

Joe: It's \$30.00 if you can't hear Vicky. That's the recording fee and it's pretty simple to do, she can give you advice. We do it all the time as weeks come and go so Vicky's well versed in that.

Rosalie Klingbeil: one other thing that I had, we noticed that the Fox Hills sign was gone from the front area here where the flags are. Are you planning to put anything else there in replacement?

Aaron: We have added signage for the owners. I don't know if anyone noticed on the drive in. We have added signs on Highway B, black with white reflective letters to direct people to that area. we also added signage to the Benchwarmers area so now all of our main areas are tagged. We are considering more signage in front of the building or possibly on Hwy B. the sign has been down for a couple of years now.

Richard: Any more questions? (pause) The meal is going to be held in this room, like Aaron had said. The bar will be out in the hallway. You have something to say?

Aaron: We have to collect all the slips you filled out with your names. Kris will come around at this time.

(Vicky in Background) Richard, you won the election

Richard: (surprised) I did! (laughing) I guess I won the election so you are stuck with me for another year, or two years I should say. (clapping) (clarification- it is actually a three year term)

Aaron: As I said lunch will be around 2:30. The bar will be open before that so if you can wait patiently for us to collect names. Once we get that done we will draw a winner and hand out the prize. Myself, Joe and anyone else you want to talk to, other than the board members, will be up here if you have any questions you want to ask us. The WebEx webinar will be taking place, again in the Riviera room. Out this room to the left, you will see the glass door just before you get to the stairs and Gretchen will be in there to assist. We will adjourn the meeting after the drawing and then we will start the party.

Richard: Next year's meeting will be on April 18th so put that in your calendar. We will have the wine and cheese thing at night (clarification-the Friday night before the meeting). And we will see how we do with tonight's entertainment.

Joe: As we said, Vicky does have balance sheets. I see she has handed a few out for anyone who wants one.

Aaron: And our winner is Dennis Bearns. Where is Dennis? Hey Dennis, congratulations. (clapping)

Richard: Who would entertain a motion to adjourn? (mummbing) Mary Glomski made a motion to adjourn. Peggy Nothem seconded the motion. All in favor?

I's from the audience.

Richard: Those opposed?

Silence

Richard: We are adjourned. Thank you everybody.