

Fox Hills Owners Association

Annual Meeting

April 9, 2022

\*162 owners in attendance\*

Richard G: I would like to call the Fox Hills Owners Association annual meeting to order it being April 9<sup>th</sup> at 1:00 pm. I'd like to make an introduction of the people up here. To begin with, I'm Richard Glomski and I'm your present President. To my left we have Richard Isely who is Vice President and to my far-left David Holschbach who is our at large. He was newly elected last year and he's going a wonderful job already; we have him pretty much up to speed. To my right, Joe Jacobson who is the management company and we have Cyndi Gierczak, the Secretary. Ann Bonneville, who is our Treasurer, is not presently here.

Vicky Anderson who was in Cyndi's position retired in September. She's been here for I think nearly thirty years so everybody knows Vicky. We miss her a lot and she's done a great job over the years and I'm sure all of you did too.

Alright, we do have a quorum present so we will be able to continue with the meeting. I've got a few things I'd like to bring up. We are working on some cyber security. It has been suggested to us that we need to do that in lieu of a lot of the hacking that's been going on, so we've been working with that, and we are trying to get some of that installed, especially for our financials and for the emails and any sensitive information. The board members will all have that also. There are a few more hoops to jump through to get things done but it's in progress.

You will hear about this a little later, but the board has allowed for twenty-five more Deedbacks for a Fee in March. We will explain that process more today. The board is doing this according to what we feel we can afford to do. This number is just what we've chosen so we don't get a barrage of them, and so we can manage the situation.

Our maintenance fee is more than likely going to go up as our new budget falls short. We won't establish the amount that it's going to go up or even if it is going to go up until later in the year. The way things look right now I think we are looking at somewhere between a five and ten percent increase in maintenance fees. It has been nearly twenty years since we've done an increase; the Association has done whatever we could in cost savings along the way. We've got, as you will hear a little later, projects we are trying to do to keep thing up and we still have to do that no matter what; we can't fall behind. We don't want to come back and have an assessment if we can help it. Basically, the cost of living has gone up in the last year seven percent not to mention all of the other years it has gone up. The cost of labor has really gotten up. In order for us to keep enough people to maintain the property and cleaning and all that we just have to match the labor costs that are out there. We don't like doing this but more than likely this is going to happen. Other years I've always said we're not going to have a dues increase but unfortunately I'm the bearer of poorer news this year. I do think we've done a great job along the way and kept it down for a long, long time and we're going to try to keep the increase as small as we can.

We had a power outage out here a couple of months ago and everything went down so we are going to have to have a backup system. The office needs power to keep running and we didn't have phone service to the condos. We are in the process of trying to establish something like that, so we get some power here for a natural disaster or just a plain power outage that doesn't have any reason.

Last year the board established quarterly meetings, so we are holding those basically every quarter. We can better monitor our spending and other types of things we can monitor as a board if we do things more systematically. We had been holding it years past maybe not so systematically and with us being on a tight budget I think it's very important that we have a little more interaction so that we can keep a better handle on things. It just seems to be the thing to do. For the board it means there are four meetings that everybody goes to plus we have some special meetings and occasionally there are some inspections that are done by some of the board members. The board members that are up here all do their share. It's their time and their money because nobody pays for their gas to get over here or for anything else. It actually costs you to be a board member, but it is well worth it. We enjoy it. That being said, I'd like to pass this on to David Holschbach. He's going to give the report that Ann normally would have given.

Dave: Thank you Richard. As he said I'm the newest guy on the board and it has been one full year for me now and I've learned a lot. It is not something that you just step into; there is a lot to learn because we are involved in a lot of different things. I've been helping the board a lot because I have a financial background and so I've been watching things a lot closer than maybe in the past where things hadn't been watched so closely. I make sure we look at all the options that are out there and work the best for us. It has been a challenge since we separated from the resort to becoming very independent, but I feel we are on a good process of getting to stand alone. If something does happen, we still can maintain it and we don't have to shut the doors and everybody's out of it.

Looking at the financials, you have it the second and third page of your handout, those cover the actual financials that we had. The first column being what the year ended up in 2021. The second column being what we had originally anticipated the year before as to what that year might be and then looking at our third column as to what we can anticipate, this current year should bring in for the Association and where the money is going to be spent. Off on the left-hand side you will see different numbers, notes 1, 2, 3 etc. We've given you page 4 which has a little explanation of what those items are, and we highlighted some of the major things as to where this money is coming from or where it is going to.

As you look at our year and you look at the total revenue, we did \$2,013,000 but we did have some extra items in there. I think you all are aware of the foreclosures that we've finally been able to do trying to weed out people who have been dragging on for years and we're able to finally get proper documentation and get things back. We are anticipating with those people no longer being members so we are going to have less dues coming in so that would drop the number down. During the year we also got some money to close some debt, so we've gotten some late fees and also return fees that were unanticipated, but we are making good effort in getting rid of a lot of the people who have been dragging on and getting some money out of it.

In the expense area of course, I think everybody realized as you look out in the market, how competitive it is out there for wages for getting people to work. We still operate and we still have people coming here and the wage situation has become our biggest focus. We've had to come up with different ideas on how to convince people to either stay working or not go work at say Kohler American Club and things

like that. We've come up with some inventive ways for them to maintain working here and we can foresee as we're looking at the budget that next year it's still going to be costing us more money because the market is just going to increase. You need so many people, you may need ten people, but you only have five, so we've had to come up with incentive type things like bonuses to get people to work the weekend. If you come in, you can make more money and we can keep the units in good order.

The other item that's on there which Joe will touch on a little later is that, during the year, we had anticipated a bunch of projects to go on but the supply and demand market with shipping and things like that didn't happen. You want to do it but you can't get all the pieces here at the same time so you might get fifty percent of what you need so you can't start the job, so you have to hold off. We have a lot of things we still want to spend the money on, so we took it in last year, but we pushed it over another year. If you look at Repairs and Maintenance, it's a higher number but a lot of that is coming from this past year where we finished up and had the money set aside but didn't use it to finish the project so we're going to complete in this upcoming year.

Overall, our budget is still looking to make money this year. Each year we put \$10,000 into a reserve and we are currently at a \$60,000 reserve. We anticipate putting another \$10,000 into that fund during the year out of our operations and dues and everything. In the early years the developers had to put a lot of money up front when we started these major projects because the Association doesn't always have all the money right away. The developers basically paid for projects like all new beds and such and so now the Association has to work on paying this back. With this extra money that we are finally at the point of making, we're starting to get rid of some of our debt that is on the Association side. That pretty much wraps up the financial state overall for the upcoming year's budget. Thank you.

Richard G: I think David did a good job for time around. On other thing that I would like to bring up is we charged a credit card fee to some of the owners and this wasn't a very popular thing to do. Going forward it won't make any difference how you pay. If you pay with check or if you pay with credit card, debit card or whatever, the Association is just going to assume those fees as part of our cost of doing business. This actually gets rolled over into our bottom line as well. We do save some money with the credit cards so when people pay by credit card then we don't have the problems of handling the checks and doing all of that processing so there is some upside; it's just that the credit card companies do charge us. So, those fees are not going to be individual anymore and we decided to do away with them because they upset some people and you can pay any way that you would like.

The next thing is I would like to introduce Cyndi and have her do her report. She's got a few things she wants to touch on.

Cyndi: Hello everyone and welcome. It's nice to see all your faces. I am new to this organization but have had an opportunity to deal with a lot of the owners so far and everybody's been very welcoming and just really great to do business with so thank you.

Today I just have a couple of things. As Richard had mentioned, we voted to take back another twenty-five units for the Deedback for a Fee program and I thought it might be worth just mentioning what that program entails. This is a voluntary program for owners are looking to, for whatever circumstance, get rid of their timeshare and don't want to or have time to sell it themselves or want to be on our resale list. This does involve the owner paying a fee based on the type of unit that they own to the Association and then we would in turn take that unit back. Some benefits of doing that are that we've looked

throughout the industry, and it seems like other resorts who have these programs are in line with ours. We looked at a lot of the third-party transfer companies and unfortunately a lot of them are fraudulent and even the ones that aren't are charging a lot of money and are not necessarily getting rid of your unit; they are just saying that they will put it on the market, but they don't actually sell it for you. So, for us, it is a guaranteed program – you would pay us the money and we would do the paperwork for you, we would record the deed and then we would send you notification that you are no longer an owner at the end, so you know it's a done deal. There are no questions about whether it is going to happen or not or whether it's a legitimate company.

The second reason is that we do take ownership of the process so we'll walk you through every step of it, we'll tell you at each point where we are at in the process and, like I said, at the end we will send you a copy of the deed showing you are no longer an owner. That is what the program entails so if you are interested, you would just contact Whitney or myself. There's a wait list that we have so we would put your name and your phone number on the wait list. We have agreed to vote each quarter whether we can take units back and, if so, how many and what the cost of that unit will be. Right now, it is approximately \$2,500 for a 2-bedroom unit. That fee does change depending on the type of unit and it's based on the maintenance fees so if there is a change in the maintenance fees there would be a change to this deedback fee as well. When we do vote to take some back, we would reach out to you and, at that point, you would decide whether you wanted to move forward. No money has changed hands, it's just okay, your name's up, do you want to move forward or do you not. If you choose not to move forward, your name will stay on the list, it just does move to the bottom and then if we get back to you again, we will call you back again to see if you are interested.

I wanted to mention briefly the check-in days as sometimes there's a question of whether you are going to get put in the Golf Villas versus the inner circle by the pools so I just want to remind everyone that if you are checking in on a Saturday, your booking will be out in the Golf Villas. There may be a chance in the winter if we've closed the Golf Villas down, you would be moved to the inner circle, but you have to assume if you are coming in on a Saturday you are going to be in a Golf Villa. Fridays and Sundays we check in the inner circle, odd or even buildings depending on the day.

Finally, just a reminder with RCI Comment Cards, any comments you place on RCI directly effects our score and our ability to get you points and trading power. We have comment cards available in your rooms, at the condo house and at the rec. center desk. If you find any issues, we want to hear about them, we'd just appreciate that you use those comment cards or reach out to one of us directly and let us know what that issue is so we can help you resolve it but still maintain a high-level rating with RCI. So that is all I have. Thank you.

Richard G: One other thing I'd like to bring up, but we don't have all the facts on this yet. Going forward it looks like we are probably going to initiate a deal with Interval International (II). I'm not sure but it could be as much as two free years of being involved in it that they are offering but we just need to get some details done. We were hoping to have it in place by now, but it just hasn't happened. I believe what they have been offering is you would get one free week when you bank a week. So, when you turn your week over to them, you would get two weeks in return. Unfortunately, the people that are in RCI Points, I'm not sure there is a way to work it into II but we can research it. That's one of the questions we'll have to find out is if we can do something like that. If you are in weeks, you would be able to use II or RCI and those who aren't in anything, you would get a free membership to II so you would be able to

trade two years without it costing a membership fee. We're hoping to get this going in the near future so if you have any questions, in a month or so, you can call the office and we may have some information on it. I would say for sure by the next quarter and the next Fox Tales will have information about it. It may not take that long before it is implemented, we are just not sure.

Now I'd like to introduce Joe who is going to give you all the other details.

Joe: So, having worked with a lot of these people for years, they really do look to protect your funds. I'm not a board member so I don't get to vote but I do get to observe. The reason they initiated this service charge when you pay with a credit card is because the credit card processing fees cost the Association \$20,000 last year. We all know any time you run a credit card at a business there is a fee and that's why a lot of restaurants and bars now are charging you back a convenience fee. So, they decided to do that but people were so unhappy, all of you who were paying with a credit card, they just decided, well, there's pros and there's cons. We don't need to handle the checks so there's some labor savings so that's why they decided to just let you process with a credit card but there is a cost with it.

Okay, as David said, our plan last year was to do some more flooring and to do one whole building of all the bathrooms. We just couldn't get the materials last year, so we are doing two buildings this year which is sixteen bathrooms and we're doing twelve living rooms. As the board votes to do it and we have the money, we are trying to get rid of the carpet in the living rooms. Some of you have stayed in the units with the hard floors in them. It's a lot less maintenance as those are the big areas where the spills are because it's a living room/dining room versus a bedroom. Sometimes you not happy because there's a stain there but if it's summer and somebody's checking out at 11:00 am and someone's checking in that afternoon we can't always scrub the carpets. Both labor wise and the floors that have been done in Villa 1 which I think was a test. We have plenty of these hardwood floors in the living rooms now and some of them I think are seven years old, they look brand new yet so it's a good way to spend the money. It's a lot easier to clean that floor than to shampoo in between people checking in and out. So, instead of doing the eight bathrooms and four hardwood – no they're not hardwood – they are laminate floors last year, we are doing two buildings, sixteen bathrooms and eight floors right now. We have the materials and are going to try to do the four floors in the building that got remodeled two years ago, it still has carpet in there.

PTACs are Package Terminal Air Conditioners – those are those wonderful through-the-wall air conditioners that are in most hotel rooms and in your buildings. There is 264 of them out here. We have been working on this for a number of years and, by the end of next month, they are all going to be changed. It's been about a seven-year process, and you've got to remember those were all original and some of those, well, they are all from the 1980's. Now they are heat pump units and they are way more efficient. I don't know if utilities will go down this year because utility costs are going up, but we have been lowering our utilities each year because of that. They are much more efficient units. It is a big project though because the old units were six inches narrower than the new ones so it's not just sliding a new one in. There are twelve openings in each building, sixteen openings in the Golf Villas. The whole front of the Golf Villas has stone, have to put a six-inch wider opening in there and finish all around it. Our maintenance staff does all of that and they've been doing a great job so by the end of this season they will all be changed. Then, going forward, if one goes bad it is just two maintenance people that can slide it in and out; they don't need to open the wall, move the wiring and refinish the wall so it's been a huge project that is going to be done.

In 9 and 13, we are doing all of the bathrooms as we talked about and those floors in Villas 9 and 13.

If you were here the last few years you've heard me talk about a sign in front of your office down there so people what it is and where it is; right now we have a temporary sign there. The Village of Mishicot was in the process of redoing their sign ordinance then they lost their Village Administrator, but we finally got that worked out and got a sign approved. We had to get the house office rezoned from residential to commercial. We have bids for a sign so there will be a lit sign going up there instead of that temporary sign that's been out in front of the house for a few years.

Mattresses are ongoing, we change so many each year, but they are on my list in the budget because we don't want to have to change the mattresses in twenty-two buildings in one year. That would not be very cost effective so we just keep changing some. Bed skirts are the same thing. We can't get the ones that we had anymore so, you know the style changes or the color, so we change so many buildings at a time and we keep the other ones for spares until they're threadbare and that's how we work it.

The RCI usage has changed a lot for some people. There are a lot of inbounds now that come in a category where they want one room so in Villas 13 and 9, that's how we are setting them up. The office has done a study for what we need for check-in on this and we're setting them up so there's a microwave, a refrigerator and a coffee pot in each of the bedrooms because this is where they live for the week. They do not have access to the living room. We are going to change the living room furniture to put a better bed in there than the sofa sleeper bed because the people who rent that part have no bedroom. We're also going to put a little closet in there in the corner and we're changing the furniture to better suit a couple instead of 8 or 10 people in the whole unit with the big dining room table and such. We are trying to stay adaptive because people who are coming into those single rooms are giving us pretty lousy scores because they don't have the amenities that they are expecting. This is something that years ago none of us knew would even happen, so we try to stay abreast of that and keep the inventory for the people who are requesting that so that's why we are modifying some of those buildings.

What else do we have going here – windows, doors – we didn't do any of those this year because we are doing those bathrooms. We have fifteen of the buildings totally done which means they all have new patio doors which have been done over the past three years. For the windows, it is not the big front windows that don't move, it's the bedroom windows and bathroom windows that got changed in those buildings. As you can imagine, there is twelve patio doors in a building so anybody who has changed a patio door at home, it is a lot of labor. When we get out to the Golf Villas, we have four Golf Villas where there are sixteen patio doors because we have the four out front for those efficiencies. Just cost is about \$25,000 - \$32,000 in doors before we even start doing labor in each building. It adds up fast but the new doors look gorgeous and they work good.

The board always puts together a long-term plan and that can get tweaked. We have a vision looking years out like this PTAC thing we started seven years ago. There is always a vision but sometimes you get thrown a curve like with Covid when we couldn't get materials, but we try to get back on that plan because if we don't pretty soon there's going to be a big bill that's going to come due. We are going to have all kinds of stuff that needs to be changed at one time. There are things that come up like what Richard was talking about. We are going to see about getting some kind of generator for the house or some kind of system because out of that house office is where the phone system and everything operates. So, we all know that years ago at our houses it didn't matter if the power is out, you could still

pick up your land line and it worked because it was copper wire. Unfortunately, now it goes into the house and if they don't have any power in there - it is not a solid copper line all the way back to the telephone company anymore, it goes through an electronic component in the phone system. It just so happened that one of our board members was out here when that happened, and he picked up the phone and the phone was dead. Most of us have cell phones anyway but what if you didn't. The board feels it is important the house can always take incoming phone calls and be able to monitor things.

We're always flexible; we always look for ideas. Some of the best ideas over the years have come from here, have come from people who have brought them back from other properties or other resorts. I think I've got everything that we are working on. As David said and I may have mentioned this but everything that was going to happen last year that didn't get done is happening this year. If you drive over there, you'll see a big pod there, we made sure we had all the shower pans and the walls for the showers and the vanities before the project started. In the current situation you don't always get delivery when you are expecting it, so we made sure that everything came in and was in that pod before the work started. We didn't want to start demoing then find out we didn't have anything to put back in there.

I know, should I talk about Global a little bit?

Richard G: Yes, yes.

Joe: You may remember that probably four years ago now we found a company called Global Exchange Vacations and they are in California. What they do is they don't deed you a week like you all bought but you join their vacation club and then you can buy as many points as you want. So, they buy weeks from existing resorts, they do have their own resorts, and they book those resorts with RCI. For instance, if I own week 33 in Villa 4 and I sold it to them, they would just book that permanently with RCI each year. We sold them a bunch of weeks that the developer had and the Association had about four years ago. This is good because it got a bunch of dues on some nonpaying weeks. Covid hit and they are based in California and we know that California was shut down way longer than Wisconsin. They are starting to sell again and they've reached out to us. It looks like they are already doing some title work and Cyndi has been emailing back in forth with them and my brother. If it comes to fruition which we have every reason to believe it will, most of the weeks that the Association holds will be producing dues starting in 2023. These are the ones they have gotten back either through foreclosure or through the program Cyndi talked about. We don't really have any many options in selling those weeks but if the Global deal happens, it will be very, very healthy for the Association because its...how many weeks are we talking about with Global?

Cyndi: About 600.

Joe: There's about 600 weeks that are not producing dues this year. We just foreclosed on a bunch of those last year for nonpayment of dues or whatever which will be back to producing dues again. I think it's going to happen but there are no guarantees in life; we can have another big uptick in Covid this fall or something, but the first bunch of weeks is supposed to go to them later this summer which means they would start paying dues in January of 2023 on those weeks. It will be a good thing.

Unknown person: Excuse me. Would you mind counting how many weeks are there altogether?

Richard G: About 5,000.

Joe: There's roughly 5,000 and I say roughly because some people own even/odd years so we can't tell you exactly how many weeks there are but you may own an every year but I don't know how many – Cyndi could probably give us a real total if she looked in the computer but it does vary because sometimes you'll get people have a say even year would like to have an every year so buy up the odd year. We could come up with the number. The easy way would be to take 104 units and multiply it by 52. If everybody was a whole week unit owner, that would be your number but then you'd need to throw the alternate years into the mix. Does that answer that?

Unknown person: Yes, thanks.

Joe: Thanks.

Richard G: Alright, now I'll have Richard Isely come up here and explain the sale program we've got. It's another way we use to get rid of the weeks that we take back. This is a very good program.

Richard I: Thanks Richard. The Board of Directors this year has voted to go ahead and continue the Guaranteed 5-Year Buyback Sale. The Association has taken some distressed property back in its ownership roles and we are offering that you can own it for five years and, at that time, you can deed it back and get your initial cost that you paid for the unit. It's ideal if for me being a grandparent and I want to take the grandkids down to Florida, Disney but I need some more points. That is one way to do it. It is also an avenue you can use get in, if your Weeks, to get into Points because it will come with one year of points. In order to do that, it's \$2,500 for a Red, \$1,500 for a White, and \$500 for a Blue. There is a \$300 nonrefundable closing fee charged on the sale and the annual maintenance fees have to be paid at closing that is \$498.00. Again, at the end of that, you have the option to keep it if you wish or you have the option where we buy it back from you. This has been semi-successful in years past but we've decided to continue it again this year. Any questions? Thank you.

Joe: I forgot this in my report. Last year for anybody that was out here, we were just on antenna TV. We are still just on antenna TV, thirty some channels. I explained this last year so I will try to be brief. We have a weird situation where before the resort got sold, the Association and the resort were on one big master bill with Spectrum (Charter). The guys who bought the resort didn't have control of that account, my family did because we owned the resort. They changed their service in the hotel and they kept getting two bills – the old bill and the new bill. Spectrum was a fairly new entity have Charter and Time Warner merging and for nine months they couldn't straighten it out; they kept getting double billed. Finally, they got irritated enough to tell Spectrum to close the account which closed our account. They normally won't let you close an account that's not yours and the Association's account got closed at the same time because it was all one account. Cyndi and Vicky and Whitney and myself, we probably had over forty hours at different times. You know you are on hold for two hours, and you get to this person and then they send you to somebody else. We never could get the account turned back on. That is why we went with the antennas and also because it is a good back up if cable goes down as well. We looked for other solutions and we are going to have LodgeVision in there which is Dish. A lot of the work is done. We are hoping to have it done this summer. We would have thought it would be done by now but it is the world we live in with equipment and getting stuff. We did try the antennas last year and some of you were happy with it and some of you wanted more service so that should be done by summer. It's not something we were looking to switch but when you call somebody and ask "Can you turn our stuff back on?" and they say no because the account is closed. "Well, yes but it's my account." "Well, sorry it's closed." It is the most bizarre thing I've ever went through like I said we have over forty

hours in trying to activate an account that nobody should have been able to close but us. It's a pretty strange world we live in sometimes. The good news is we found another option and, in this option, we get to pick the programming to some extent. They gave us options and we all put our heads together on what the initial programming will be. Hopefully we're not going to have as many infomercial channels and stuff like that so some better content.

Richard G: There is still some channels we won't be getting.

Joe: It's just like cable; there are some channels you can't get because there is a big upcharge like some sports channels but we will have a lot of channels. It will be as good as we had before. We will have less channels but we won't have as many infomercial channels. Bally and stuff like that, yes you can get it but it's pretty pricing just like it is at home. Somebody will still have to stream that stuff. Hopefully by the time you come out this summer it will be done – in the next month I am hoping. It has been quite a saga over the last year and a half.

Richard G: I think we're to the point of questions that people would have. You will have to step up to the microphone in the center of the room if you have a question and speak into it.

Kurt: Hi this is Kurt Keller, Forest Junction. Does the Association have I forget what it is called but it lists all of the assets and liabilities?

Richard G: The balance sheet.

Joe: For anybody who wants a balance sheet, we have them up here. We don't normally hand them out; we used to but most would get left lying around and we had to pick them up so, anybody who wants one, Cyndi has them.

Kurt: Okay, thank you and a follow up on her question, there's what 5,200 weeks and roughly how many are unsold?

Joe: There's 52 weeks a year time 104 units and that's not figuring any alternate or evens/odds. Presently I believe there are 938 units that are not sold. So, what we just foreclosed on in 2021, how many roughly?

Cyndi: 179.

Joe: 179, well, the last three years we have done foreclosures. A new process became available in Wisconsin approximately five or four years ago called nonjudicial foreclosure and it's only for things like timeshare and such. Before that, each one was like you were foreclosing on a building or house. It was a separate court action for each one. It costs a bit of money, you have to advertise the last known address and all of that but you can do them all at once and then a judge signs the order like we did the 179. We get them done all at one time in one action with the same attorney fee we used to pay for each one. We've done a chunk the last three years with the anticipation of Global Exchange Vacations taking them over but then Covid came along. As long as nothing weird happens again with Covid or something like it, within a year and a half to two years, we should be able to move all of those weeks to GEV/Global so they will all be producing dues.

Kurt: Assuming that happens, how many units would this company then own?

Richard G: You have a percentage, didn't you have it figured out?

Cyndi: It's 733.

Joe: They own 733 units now so if they took the other 938, they would have about 1,700.

Kurt: So, they would own about one third of the Association?

Joe: Yes, about one third. There is one timeshare operation in Nevada but not Reno or Tahoe or Vegas, it's Laughlin or something, it's way over by the border with Arizona. They thought it was going to be a boom town wasn't and some of the Associations there, through Covid and all of that, are just shutting down. The Association doesn't have enough money and that's why he needs more of these weeks. In that one I think Global owned like 80% of the weeks and the Association voted to close itself. We've done a lot of research on them. We were really concerned about maybe a hostile takeover, him being able to out vote us.

Kurt: So that's a part of my thought.

Joe: Kurt, we're all thinking about the same thing, but they'd still only be at a third. They've never done that anywhere. They own weeks at a lot of different properties, and we've checked them out and we've checked with RCI and we've checked with these other properties they own and it has not been an issue at all. We've looking for other people besides them but we haven't found anybody because it would be nice to spread this around in some baskets so you didn't need to worry about one person having that many, but they're still only at about a third so the rest of you still can clearly easily outvote them at this time. That is one of the things the board has spent a lot of time discussing.

Kurt: And maybe I have to understand their business model a little better to understand why they are asking, why they would do that.

Joe: Basically, they don't give you anything for the week. They take what they call distressed inventory. What you get out of it is they pay dues. The dues aren't being paid right now.

Kurt: So, who owns title to it?

Joe: They do just like you do. They'll take the title but then they'll write us a check, they pay us their dues. Right now they're paying us about \$270,000 per year roughly in dues on the weeks they have and they've been doing that for like four years. They take those weeks; we give them fixed weeks. They can't change their mind about which weeks they want. If they buy week 33 in Villa 4D, that's what they get to bank with RCI. We want it to be fixed so we can plan around that so you all know – we can't have that much inventory floating – so then we can plan our schedule. Now they own it, they bank it. They don't sell that week, what they sell is points. If you were out in California or in Texas, they have offices there, and you join Global Exchange Vacations, you'd say I want this many points and they would charge you X amount of dollars. That's how he makes money. Then he's got his RCI points to give to you from all of this banked inventory. He doesn't care where the resort is. He does research and he comes in here every year to inspect, he wants to see our budgets. He only wants weeks from properties that he thinks are going to continue and are well run because he's taking these weeks and he needs them because he has already committed to these points and has sold them to people. He needs that inventory banked with RCI. It's a little different business model than just purchasing your week. That's how it operates. We have been hoping to find other people who do the same thing as him, so all of our inventory isn't in one

basket, but we haven't. There is a pro and a con to that. If something ever happened to him and you had to get all of your weeks back, it is one simple foreclosure. The problem is they are all in one basket.

Kurt: Did I hear you just say that they actually don't pay any money for week?

Joe: No. You've seen people give them away here in the meeting in the past to other people. What we get is we don't have a way to sell them, but we do get our maintenance fees. I mean we're offering that you can have more time and we'll give you the money back after five years if you want it. You know we're making offers like that so this for the Association is an okay deal because they get the dues immediately.

Richard G: That's what we need. We need the dues. That's what affects your maintenance fees. This program that we've got here that Dick explained is designed to offset this other program a little bit. We're going to be a little more aggressive this year. We are going to put it all out into the Fox Tales this year. The next Fox Tales that comes out will have that program in it and we're hoping that it catches on. I belong to another Association and they've done the same thing. In their newsletter they send out they say if you want extra points you would sign up with them. Only their maintenance fee, the one we're in, is in Hawaii and is more than double what our maintenance fee is. We have actually traded to Hawaii with the week we have with Fox Hills so it's cheaper for us to take the Fox Hills and trade it to Hawaii than it is to own the one in Hawaii except that the one in Hawaii, we know we are going to get a unit every time we use it. This program that we've got is, I mean, I don't know of another program that is as good as the one that we have here. The maintenance fee is, even if we do increase it a little, it's still going to be one of the lowest maintenance fees around. There are a few of them that are lower but not very many.

Joe: Well, that's an interesting point. That's the reason Global Exchange Vacations wants Fox Hills weeks.

Richard G: Because of the lower maintenance fees.

Joe: They look at the dues and divide them by the points and they say it's so many cents per point and obviously he doesn't want to take weeks from where it is \$2,000 a year. He'd much rather take them from a place where it is \$498 per year for a 2-bedroom unit. On the other side of it, we get dues paid. Just now I did a quick calculation based on if he takes all of the weeks in the next year and a half, it is somewhere around \$430,000 in dues coming to the Association that aren't being paid right now. That makes a huge difference to this Association. Back when we still owned the resort part, we tried every which way over ten years to sell stuff. Unless you're a Disney or one of these great big companies where you can afford to do all these tours and marketing and that – once we went to the No Call List in Wisconsin and you couldn't tele market anymore, it became very difficult for a standalone resort like this to market. That's how most of you got approached at one time years ago is through telemarketing. We have tried to come up with all sorts of things - not the Association, I mean the resort when our family still owned it. This guy would come up with this new way or that new way, but we just couldn't drive the tour flow once we didn't have telemarketing. The Disney's, the Marriot's, the Bluegreen's, they're nationwide or worldwide companies with a little different hook to get people to come in there to do tours and stuff. On the other hand, you get the higher price with that, so this gentleman really likes Fox Hills inventory. He thinks your board does a good job, we have to send him our financials, he'll come in on an inspection tour every fall and wants to see a bunch of units. We don't get to pick the

units he goes into, he wants to tell us. For instance, if Vicky has gone home for the night, well there is parttime help at the desk so he says "I want to move rooms". He wanted to move rooms because he wanted to go into a room we didn't put him in to see what the other one looked like. He does his homework. It's a good thing in a couple of ways but the only bad side is the Association has got a lot of inventory sitting in one place. The other side is this is a company, it's a big business and he checks his properties out thoroughly and he checks us out each year and he likes Fox Hills inventory. As long as his business stays relevant and he keeps writing those checks, it's very good for the Association.

Kurt: In that program you're going to highlight in the Fox Tales, I think you said it was like \$2,500 plus \$300 and something else I think I heard.

Richard G: Yes, and then you'll get all your money back at the end of five years except for the property transfer money, the nonrefundable amount. That's the only part you don't get back. It's set up that you can at the end of five years, then we do a three-year extension which can be terminated by either you or the Association. So, if after the five years are done you can opt to have it permanently, you could have it permanently. The other option would be you can extend it for another three years and when it comes due, then again it would be your option to surrender it but at the end of three years then the Association would also be able to say we want it back. Either you have to keep it or you have to surrender it at that time. It can go on another three years if you want. We did that so if it gets to be too cumbersome than the Association can say we want them back or if the market is really good, why would you keep it if you can move it on.

Joe: We did that as a board to try to get some dues revenue out of these. This was only offered by the way to owners and the first group who did it, it has been six years now, there was a couple who took their money back but most of them still have them. It was opened up to all owners and their families, I think we said if you've got a really good friend or something it's okay if you brought them in as an owner. It's not open to the general public. It's an owners benefit, that if you needed some points as Richard said in his example, because you wanted to plan a couple big trips over a few years or you wanted to get one for someone else in your family, that's what it's open for. The main reason we looked at it is we are trying to be creative in ways to get these weeks generating dues for the Association.

Kurt: Okay, thank you.

Michelle: My name is Michelle Dewitt and I'm from Colman, WI. And so, I'm thinking ahead now. Global's stepping into an approximate one third ownership of the weeks. What is the, what is Fox Hills doing to prepare should Global step away entirely because it sounds like they have no skin in the game so they could just walk.

Joe: Well no, so they actually own the weeks just like you do so if they didn't pay their dues we would just do a simple foreclosure and get all the weeks back.

Michelle: That's what I mean.

Joe: With the weeks that they've gotten, the weeks remember were not paying dues anyway. You know they're weeks that we had. They were all weeks that had been foreclosed on or never sold initially and that's the first batch they got. The ones we are giving now are had been foreclosed on from people who were no longer paying their dues for whatever reason or maybe they passed away and didn't have any

estate planning, so they were sitting there in limbo. Yes, we'd have to do one simple foreclosure but we just did 171 foreclosures to get 171 weeks.

Michelle: So right. You are already experiencing a situation where dues were not coming in...

Joe: Correct.

Michelle: ...because these people were not paying. Finally, the ability to get them back and correct a bad situation.

Joe: So, the only way that would happen with them is if their business failed. I mean we can block their inventory with RCI if the dues are not paid. They bank that inventory to sell these points to people so they would have a huge problem if – believe me California is heavily regulated. We had hundreds of sheets of paper and forms that we had to fill out for them to even be able to sell our inventory in California because it all goes through the California Consumer Affairs division and so forth and gets regulated. Yes, they could fail just like any business could and then we'd have to get those weeks back but that would be the only way if that business totally shut down because they have already sold these points. They've got the weeks banked to give people those points. If they miss one payment, we will start blocking their weeks. They are banked with RCI and we can block them for nonpayment.

Michelle: So, with the thought that yes this could happen. Any business can fail, they fail all the time. Thinking out loud, two obvious ways to protect the Association would be 1) to create a reserve...

Joe: Which we have been.

Michelle: Okay, you do. I don't have the balance sheets.

Joe: We've been putting \$10,000 - David mentioned and there's a lot of data that went out - we started that, this is the sixth year we put \$10,000 per year in and there is \$60,000 at this point. Part of the debate was how much do we put in there?

Michelle: You need enough at least for the repossession time right and then you need a little time to get those units back out into an income producing situation.

Joe: We've thought about a lot of different things as well. We thought about, okay, if we have this many weeks and it's 17% of the weeks, let's make it really easy, let's say it's 10% of all the weeks just for an even number. That's basically two buildings. We have twenty-one buildings. Do we take two of the buildings and do we turn them into apartments or something like the far ones on the far end out on the highway? Do we rent them out you know and become a landlord, the Association? The guys that own the resort said that they may be interested in some point if we ever got to that. We do talk about all of these scenarios so if any of you have thought on that, we are thinking what would we do if we didn't have a way to sell them as timeshare owners.

Richard G: We've been exploring a lot of options, some of them may not be good ideas but I don't think there's a meeting when we don't work on some ideas. This program that we have here, if we can get this thing off the ground, I think this thing would do well.

Joe: The guaranteed buyback?

Richard G: Yes, the sale that we have here, it is an exceptional deal. It's a freebee really. You can't find a hotel for a week for \$500 any place. You won't get in a hotel for that. As those prices are constantly going up, I think this program is going to become more valuable yet. Even all of your weeks are actually getting more valuable with the prices of hotels and places to stay, your VRBOs and all of that stuff are much higher than here.

Michelle: Out of curiosity, is there an opportunity in the insurance policy to have a replacement of that stream on income?

Richard G: I doubt it very much; I don't think but we can check. I would doubt very much that it would be anything you could afford.

Michelle: Like a bad debt coverage type of thing.

Richard G: Not anything that we would probably be able to afford.

Michelle: Okay, well thank you very much.

Richard G: Thank you for your questions.

Cathy: [unintelligible]

Richard G: You will need to wait a second until he turns your microphone on. Okay, go ahead.

Cathy: Cathy Campbell from the Mishicot area. I talked to Cyndi about a few things I would like to have brought up at the meeting, the Rec Center in particular. The boiler seems to go out every other day, the pool is sometimes cool and you can't really swim. We have handicapped people that are coming in and they can't get in the doors because they don't have a button to push and the bathrooms. At this point I can understand where people have to bring their children into the bathroom in with them, so you're there undressed taking a shower and you have a women come in with a seven-year-old son. It isn't good for them; it isn't good for us. I think we need a family bathroom to be added somewhere along the line that they can take these children into. You see them in a lot of other places but that's all I have to say.

Richard G: We've actually discussed some of the situations and we don't have the handicap buttons on the units so for us to have it on the Rec Center would be just not practical. If you're going to have it so that people can't get in and out of a unit by pushing a button; you have to have somebody go open the door on the unit then they can let you into the pool and we also have a person at the Rec Center desk and everything is on the same level in there, it's actually handicap accessible. We've also talked about doing some things with the bathrooms that would add to what she was talking about but, for us to build new bathrooms in there, I guess if the members here and out there want to spend a ton more money, I guess we could do that but we'll probably have to send that out on a referendum or something like that if they want us to spend that kind of money on remodeling something we don't even own.

Unknown person: Sell Kool-Aid.

[laughing]

Richard G: Well, yes that might work.

Nancy: Hello, I'm Nancy Becker from Manitowoc. I think I've been a member since you started building out here. Anyway, I want to thank you first of all because it is a very nice resort and I do come out here quite often. The only problem I'm having right now is I'm the only card holder for my deed and I can only bring one person with me. Is that going to be changing at all?

Richard G: How many people are you looking at bringing?

Nancy: Not that many. If you've got three grandchildren, how do you pick between the three grandchildren? And there is one other question I had on that, most of the time when we come out here one of my granddaughters would say "Well Grandma, this is my pool" then someone comes in and she would say "Someone is coming into my pool". The pool's not used that much.

Richard G: Anybody if you're staying here, you can bring as many people into that pool as are in your condo.

Nancy: If you're staying here.

Richard G: Right. If you're talking about somebody just coming in and using the pool, it's a privilege that we've extended to people that are owners but, if in fact it would get problematic, I guess we'd have to send something out to the 5,000 people that are owners here and see what type of arrangements they would want to make. I would think that they would certainly let you bring two in, am I wrong that if she has one card she could probably bring two people?

Cyndi: Yes, but it depends on how busy the pool was.

Richard G: Just make the contact there first if you've got a situation; if you want to bring all three then make the contact before. Don't come up here and say "hey, the pool is full. Can I still get in?".

Nancy: Right, I understand that.

Richard G: We have to make it good for the people who are staying onsite.

Nancy: I understand that too.

Richard G: Because otherwise, this place won't exist.

Nancy: This just all came up since Covid that we were limited. Prior to that...

Richard G: No, we've had to limit it in busy times.

Nancy: Well, I've never run into the problem.

Joe: You've not probably run into the problem, Covid made it worse because we were restricted in how many people we could have in there by Manitowoc County Health Department. This has been an ongoing thing for a lot of years. You might get mad at me but our instructions to the staff that work there because they are the people that have to work there is use common sense. If there is nobody in the pool on a weekday and an owner shows up with three people instead of two, use common sense. On the other hand, owners have to use common sense; not like the gentleman who showed up one time with a busload of children on it on a Saturday. He lived locally here and wanted to bring thirty kids in here at the pool and we stopped him, and he was really, really pissed off at us, screamed at us, and it's like you got to use some common sense here. It is a tough deal especially when it's summertime.

Nancy: Usually Sunday nights, believe it or not, it's not quite busy. I think it's because people are coming and going yet.

Joe: It has always been the rule. It's in the disclosure book and your bylaws that you can bring one guest and, if you're a couple, you can bring two people. I mean that is the rule, but we've told operations to just use common sense.

Richard G: It is not in the disclosure book.

Joe: Well, no it's not in the disclosure book but it is in the operating rules. It's somewhere in the stuff when you bought it.

Nancy: Yes, but it's probably so old that ...

Joe: Right. We've gone back and forth on this with people in this room, it's really a commonsense issue.

Nancy: Right. I understand. It's just that I just want to verify.

Joe: On both sides by the way. It's a common issue with the staff.

Richard G: We make mistakes, our staff does. They're only human too. The thing is the plan to have, if you're planning on that, try to get permission ahead of time. That would help.

Nancy: I have to say your staff has been great in that department.

Richard G: Good.

Joe: I just want to go along with what Richard said – I just asked Cyndi because she's operations. I said would it be prudent for them to call ahead of time because they can always tell you not to come. In the office call on Monday through Friday and they'll be able to tell you what occupancy is and whether they think it will be an issue or not. A simple phone call would save a lot of questions.

Nancy: Okay, thank you. I have to say the last few weeks though, they've been pretty busy out here. There is a lot of cars parked by the condos.

Joe: Spring Break.

Nancy: Yes, that's true.

Joe: Now we'll have Easter. It's always that way depending on what colleges or high schools are out when. You get that end of March through April; it can be busy for Spring Break.

Nancy: Okay, thank you.

Richard G: The other thing is they did pass out cards to everyone. We did not plan any lunch or anything this time. Those cards are, I believe they are for \$30 so you will be able to spend them at the bar or buy food with them or whatever you want to do. What we do going forward, we'll see. I know a lot of the people prefer the cards because they can do what they want with it, so we'll see how things go. Part of it is put together by – the bar has contributed some to the card too so it's not all on the Association. The bar likes the idea that they're going to get some of your business and hopefully you're going to spend a little bit more than the card, that's what they are anticipating so have a good time.

Unknown person: How long does it last?

Joe: I was just going to get to that. The card is not like last year where it was just for the weekend. The card is good so it's not just for this weekend.

Richard G: It's good until it's empty.

Joe: If you don't want to spend it this weekend, you can spend it when you come back. If you don't spend it at all, keep it.

Richard G: There might be a closing time on the card.

Cyndi: Whatever a normal gift card would be good for.

Joe: Yes, just like a normal gift card; probably would be good for a year would be my guess. The Association paid for \$20 of that and Par 5 Resort, it's their card, they donated the other \$10. The Association looked at what we normally have this many people, it cost us this much to put the buffet on so we'll get about the same amount of money. We have to plan this meeting well in advance and nobody know where Omicron was going to be last year. Obviously last year we didn't even know if we'd have a meeting for a while and we didn't have one the year before so the board thought this was by far the best way to do it because you get something.

Unknown person: Very nice, thank you.

Melita: Hi, my name is Melita Berkec and, my husband and me, we own two units since 1984. I know you guys haven't seen us because we've been not often here. I mean we are often here but usually busy. But now we're retired and I have a question as far as being and RCI – you were talking about RCI being part of our Association. I want to know what are we as a RCI members, and our Fox Hills Villas, what is our starter unit. How are our...

Richard G: Do you have Points?

Melita: ...points distributed?

Richard G: You are allocated X amount of points depending on the unit you have. Which unit do you have?

Melita: We have unit 4 originally when we bought but now we have two units. We have a red unit which we use since 1984 we owned it so we have a whole two weeks and we bought it at red time, primetime, anytime. And now what I'm finding out when I call RCI that they're blaming things on Fox Hills...

Richard G: Well Fox Hills if you've got...

Melita: Excuse me, and then I call Fox Hills Whitney, which she's wonderful- you guys are all doing a great job, but nobody can answer me, how are these points – what the value is. Because right now, we used to be able to travel one week for one week and now, I mean, they want money, they want two weeks for one week, they want and money.

Richard G: You should be getting a statement from RCI that tells you how many points you have.

Melita: Yes, and I do get it.

Richard G: So those are the points you can spend.

Melita: Exactly but the problem with that is they tell me it's not them giving me points but Fox Hills.

Richard G: Fox Hills banks the points into your account.

Melita: Right, so what are we, we used to be when we bought 4-Star resort. What are we right now?

Richard G: We haven't lost any points with our ratings yet.

Melita: I was told that we are three now.

Joe: It's not stars, it's Gold Crown, Silver Crown, and Hospitality.

Richard G: And I believe we are Silver now which is the second one down and the points that your assigned, we get the same amount of points now as what we had as when we were Gold.

Joe: And the same amount of points we had when we started, when points were first available when we weren't anything.

Richard G: Right.

Joe: I went round and round with RCI when we became Gold that we should get more points. They said well we are not going to take them away if you drop again. They said that's just the way it is. It's based on the facility.

Richard G: The only ones that made a gain on that were the ones that had Weeks.

Melita: Well, we have Weeks.

Richard G: But you said you had Points.

Melita: No, we have Weeks.

Richard G: You have Weeks. Okay.

Melita: We have Weeks and we never converted to Points because we had Weeks...

Richard G: Weeks are different than Points.

Melita: ...and they are constantly pushing these points on us, you understand?

Richard G: Yes. I think that you are probably best to, we can maybe explain this after the meeting a little bit better.

Melita: Okay, thanks. I appreciate it.

Richard G: Points are different than Weeks because you'd have to trade a whole week away; with Points you can take two days one time and five days, six days, eight days; whatever you want, whatever your points are qualified for. I thought you had Points but evidently not. Weeks are traded in like properties.

Melita: When we were able to buy our Fox Hills, when we bought our children were little and they were in school. We had to take prime time so that we can get when they are off school vacation, right, so we

bought red weeks. Now it doesn't seem - is it fair that we have two red weeks primetime, anytime the most expensive but people that bought white, and I'm not saying anything is wrong with that...

Richard G: But you won't get the...

Melita: ...People have blue, some people have blue so, a little bit of white, a little bit of red...

Joe: They have way less trading power as you do.

Richard G: You got more trading power.

Melita: That's not what I'm hearing from Fox Hills. This is where I am confused so I would appreciate what you're saying, to sit down with me and explain that.

Richard G: We'll try.

Melita: Because Fox Hills is saying one thing and RCI is blaming it on Fox Hills, so I am not getting any answers correct here and I don't know where we are actually.

Richard G: Yes, the trading decisions, we'll talk about this later. Actually, after the meeting the board is going to be gone for a little while. We have another meeting right after this. I think Joe is going to stay up hear and take the heat while we're gone [laughing] and, uh, we should be back shortly, and we can try to answer questions. If we can't get the answers, we'll take your number and try to get back to you or email you or however it is, we'll try to do what we can. We like to have members of RCI and a couple of years ago we had II here. We try to get them here but since Covid it is exceedingly harder to get people here. I think their staffs are suppressed and it's just been harder to get anything going. Maybe things will straighten out.

Joe: Starting wage for housekeepers is \$5 per hour more than it was four years ago and it is still hard to get them because they're offered \$15 per hour as fast-food places to start with no experience.

Richard G: Did you want to announce the election results? As you know I'm up for election.

Joe: Okay so we had two people run, Chad Huhn and Richard Glomski. Richard Glomski has won another term on the board.

[loud applause]

Richard G: Thank you. Okay, the next Owners Meeting should be on the 15<sup>th</sup>, correct? That's when we're going to do it. That's typically when we normally have it, it has been juggled around for a few years because Easter was just not in a good location for us to have this meeting. Easter will be before the meeting next year, Easter is on the 9<sup>th</sup> so the 15<sup>th</sup> which would be the normal week we always tried to have it so that's when it will be, April 15<sup>th</sup>. We'll see what we do – does everyone like the card idea?

[moderate applause]

Richard G: So maybe we'll try to couple that with something else. Maybe we'll have a little hospitality hour or something like that; we'll see what we come up with. Is there any other business anybody has? If not I would – oh we have somebody that's got question yet.

Lisa: Hello, my name is Lisa Klapper from Appleton. I incurred my two weeks, my red weeks also here from my parents when they passed so I always assumed when they bought them in the 80's that it went down to family members because they paid so much for them when they purchased them. I'm hearing now that there are people who passed away and they are sitting there, and they went through foreclosure and stuff like that which I don't understand.

Joe: It would depend upon how the people handled their estate. If your parents had it transferred to you or did it prior to that it was in the will. Some people maybe don't have any children who bought them or just didn't have it set up in their estate and then the probate judge or probate attorney or however that works, it's up to them to make that legal decision on what happens. There's not a lot, normally it's just someone through bankruptcy that we get them back but there are a few, they sit in limbo because like I said maybe they didn't have children but they're just sitting in probate so they are not paying dues so we can, the Association does this nonjudicial foreclosure for lack of payment and gets them back. That's a small part; most of the people it's just because they fall on hard times or fiscally, they go bankrupt or whatever. Out of 5,000 and some owners we took 171 back last year.

Lisa: Okay. Second question is with the RCI. When you belong to Fox Hills and you have RCI points and you book back in here, do you have to pay the fees for transferring again?

Richard G: There's a window where you don't have to pay I believe, correct? Let's let Cyndi explain this one. She'd know better than me.

Cyndi: So, I just wanted to add something for the foreclosure question you had or if you were deceased; we actually make every effort to find an heir or someone who'd like to take over and we will work with them. Many times, they reach out to us because we don't even know they're deceased, the children will reach out to us and we help them with the paperwork. We help them with the transfer process. We don't charge anything for that service.

Lisa: Great. That's what I needed to hear.

Cyndi: Yes, our intent is absolutely to pass it on to your heir if that's what they wish.

Joe: Yes, we don't want the weeks back if we can keep people using them and paying dues.

Lisa: That's what I was wondering. If you would try to pass them down because that's what I was always told from my parents that these will be passed down to you.

Cyndi: Right. And then as far as your second question, if you exchange back in and you're in Points, you need to exchange back in, in your strict season. So even if you are red, it is not all year-round, it's got to be in RCI's designated red weeks. It has to be for a full week, and it has to be the same size unit you own. Then you often times have to call and speak to a manager; right away just ask for the RCI manager and explain that you want to exchange back into your home resort.

Lisa: Okay because it didn't know I had to talk to them because last week I was here in my same building for the same week because it was Spring Break week for my granddaughter and they made me pay the \$249 I think it was to transfer, you know, to get back here and they did that on Christmas and they did that on last summer. So, I was just confused when I heard that when you go back to your home you do have to pay.

Richard G: You have to follow the procedure that she was telling you about and if you don't fully understand that...

Lisa: I didn't know I had to call them so I will call them.

Richard G: If you didn't fully understand that maybe you can call her, and she can explain it to you when it's closer to the time that you have to do it or whatever. If you follow the procedure, it's fee free but if you don't, then you're in a situation where you were. You are trading here the same as if you were trading into another resort.

Lisa: I didn't know I had to talk to someone about it.

Joe: Unfortunately, they've created a system that, if you don't know how to work the system, that generates some fees from you for themselves; but your staff here, the Association staff, can clearly help you with that because they know how it works. There's a certain time window you have to do it in I believe and then you ask for a manager.

Lisa: On the ask for a manager, I didn't know that part. Alright, thank you.

Joe: That's a good question though because that probably benefits a lot of people here.

Karen: My name is Karen Schramm from Manitowoc. My husband and I just took advantage of the promotion that you have for the \$2,500 buyback program. Cyndi was great to work with and I've been meaning to call her. When you buy a 2-bedroom red week, how many points do you receive for that? I think Cyndi has told me it's like 52 or 54,000 which was fine. When we got our letter from RCI they told us we had 106,000 and we're like "wow, how did this happen?" So, it that like a normal thing? How many points do you get?

Richard G: That's like two years.

Cyndi: It's 53,400.

Joe: Did you put both weeks in if you got 106,000?

Karen: We only bought one additional week.

Joe: But you have another week.

Karen: But we have another unit.

Joe: Right, so that might be for both of them.

Karen: Okay so that's what we were thinking because we had a week then we bought a week, the points and I think we...

Joe: The statement has both on it.

Richard G: Yes, you only have one account with RCI .

Karen: No. Even when they gave us the paperwork, we put our existing account number on the paperwork and then got a letter saying that you've been accepted for the points so I went into my old week account and their was no points there. Then I called RCI and they said that's because you have a

different account number so I looked up that well then the paperwork came, he gave me the account number for the points and when I looked up that account number I was able to enroll. So right now I still have two separate accounts.

Richard G: Did you have Weeks prior to...

Karen: Yes.

Cyndi: I think I know what happened. You added your children, right?

Karen: Yes.

Cyndi: So, I think that's why it became a new account because the children were added, and the unit was added. We had to do the new weeks and we had to transfer with your kids' names on it.

Karen: So, the kids are only on the Points week; they are not on the Week week.

Richard G: But the account must be the same account.

Cyndi: When we did the transfer, we transferred that one week into the that other account so they're both showing in two accounts or rather their both showing in one account.

Karen: Okay, right. So where did that second week come from? Always in the past whenever I would deposit my red week, I would always call around the Fourth of July to get the highest trading power and I've been doing that on a regular basis ever since Vicky and now you Cyndi and Whitney. I thought I had every week deposited that I could so where did the second week come from? Is that for 2022?

Richard G: Points get deposited automatically so you will not have to call in to puts your points in.

Karen: Okay.

Richard G: Points get deposited automatically. Is that in September is it?

Cyndi: Whenever the user set up the account, so they get deposited whenever the account is active and it is the same every year.

Karen: Okay. I was encouraged that we do this right after the first of the year which is what we did. So, we no longer have to call to put in our week?

Richard G: Right. As long as you're in Points, it will be rolled over automatically and then you'll have some of those same issues like if you want to trade back in here you have to follow that procedure that she mentioned earlier...

Karen: Okay.

Richard G: ...if you don't want to pay a fee. Otherwise, you got to pay a fee just like if you are going to another resort. That's different with Weeks; with Weeks if you don't deposit it, you can automatically come back here.

Karen: Right, so as long as I was here, because I've been meaning to, but as long as I was here, I've got all of you.

Richard G: That's okay. Sometimes these questions help other people with their stuff too.

Karen: Thank you.

Richard G: Thank you for your question.

Joe: And every so many years we bring RCI in. The reason we don't do it every year is we pay their airfare, we pay their wages, we pay their hotel stay, we pay their per diem for meals. I think it's usually \$2,500 or something to bring somebody in to speak from RCI. A few times we did it with a Skype thing in another room where you can sit there. If you'd like to see them here again let us know but, again, we don't do it every year, we try to be judicious with your funds.

Jim Jens: Motion to adjourn.

[laughing]

"Second"

Richard G: We've got a second.

Cyndi: We need a name.

Richard G: We need a name.

Kurt: Kurt

Richard G: Okay, all in favor say "Aye".

many voices: "Aye".

Richard G: We are adjourned.

[applause]

End of meeting.