COMMUNITY ASSOCIATION ATTORNEYS

KAMAN & CUSIMANC

Matthew Lowe, Esq. Associate Attorney mlowe@kamancus.com (414) 300-6189 Direct 111 E. Kilbourn Ave. Suite 1700 Milwaukee, WI 53202

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VIA E-FILING ONLY:

Honorable Judge Robert Dewane Manitowoc County Circuit Court 1010 S 8th Street Manitowoc, WI 54220

Re: Manitowoc County Case No. 25CV15

Dear Judge Dewane:

This letter is in response to Attorney McKinley's September 10, 2025, letter submitted to the Court. (Dkt. 94). We apologize for filing another document for the Court to review but believe it is necessary after reviewing Attorney McKinley's second supplemental filing.

Wis. Stat. 181.0804(1) states <u>all</u> the directors shall be elected at each annual meeting "unless the articles of incorporation or bylaws provide some other time or method of election, or provide that some of the directors are appointed by some other person or are designated."

Without citing to any provisions in the Articles of Incorporation or the Bylaws, FHR claims they do not permit cumulative voting. (Dkt. 94, p 3). Paragraph 3.1(a) of the Bylaws (which were written by defendant, FHR) states: "[c]lass A Owners shall be all Owners, except the Developer." "Each Owner of a Time-Share Estate shall be entitled to one (1) vote per Time-Share Estate owned ..." (Dkt. 66). Similarly, paragraph 3.1(b) of the Bylaws states: "[t]he Class B Owner shall be Developer, its successors and assigns. Developer shall be entitled to one (1) vote per Time-Share Estate and Unit owned ..." *Id*.

It would be nice for FHR's position if the Bylaws prohibited the Association from having members vote for directors all at once, but they do not. *Id.* In fact, many condominium bylaws provide that each unit shall have one vote at each election for the directors with the persons receiving the most votes being elected to the open positions. If FHR wanted elections

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to be handled in some abnormal manner, where everyone votes for each director opening, then FHR should have drafted the Bylaws to say that. FHR didn't draft them in that manner, presumably because that would mean whoever held the majority of the units would then be able to elect every director. This is directly contrary to the concept of having diverse thought on the board so that various opinions can be heard and the best option then selected. FHR may not like the Bylaws it drafted or the election process under them, but these are "policy and operational decisions of the association" which the law clearly states: "shall be made by its board of directors." Wis. Stat. 703.15(1)., There is literally nothing in the law or governing documents that prohibits the Board from holding its elections in the manner they were held, especially when that is the manner instituted by most condominium associations in Wisconsin. Association owners cast their votes and the people receiving the most votes were elected to the open positions.

FHR and MTM are used to running this Association in their own best interests and drafted the documents as such. Wis. Stat. 707.30(5)(c)(1) states "[t]he time-share instrument may not impose limitations on the power of the association to deal with the developer which are more restrictive than the limitations imposed on the power of the association to deal with other persons." The Association is hopeful that the litany of provisions FHR included in the time-share instrument that make it harder to limit the Association's power to deal with the developer will be resolved at the conclusion of this case.

Very truly yours,

Attorney Matthew Lowe