

Annual Owners Meeting

April 18, 2015

1:00pm

Richard: I would like to call the meeting of the Fox Hills Owners Association to order. Date being April 18th 2015, time One O'clock. We do have a quorum present. My name is Richard Glomski, I am your president. To my right, Kris Mattes and Vicky Anderson, and Amy MacMillin. On this side Joe Jacobson is next to me and we have Ann Bonneville and we have Richard Isely.

I want to give special thanks the Fox Hills staff for the efforts last night at the reception we had, the welcome party. The management team also has done an excellent job for keeping things running. Joe and his crew have done an excellent job of keeping things the way it is. We got Gold Crown again this year. We got a new pool floor, looks awesome I think. We have paving coming; we are going to be paving the driveway to the condos in the complex here. We have no increase in maintenance fees this year and we don't expect one in the near future. Remodeling is pretty much complete but we have some ongoing upgrades that are keeping going. We have lots of improvements that are keeping value to our owners. I would like to have Joe do our financial report or budget report.

Joe: Hello. Ok you see under financial report, dues no increase. Each fall your board looks at a form that we named the Cost Recognition Report. We obviously didn't see any need to raise dues and we don't see one in the future or the near future anyway. You also know that on your ballots we talked about a reserve study or being able to establish a reserve fund. We continue to work on the units, I'll get into that later, but we feel that we can start to reserve funds for the future without raising the dues. By Wisconsin law we can't do a reserve fund without your approval. That's why that question was asked. We can't save your money unless you allow us to.

Ok, if you want to go to the second page, the first column on the left is the 2014 actual which is on an accrual basis which the IRS makes us use. The 2nd column is the 2014 budget which is cash and then the 2015 budget which the board has approved. As you can see we highlighted, on the third page, all the things you might have questions on. You can see dues revenue what that means, explains interest income, late fees. Wages and payroll is higher; we talked to the board about that. We have substantially upgraded the maintenance crew, so we do not have to hire outside contractors. We have to pay more to maintenance but we more than make up for that by what we save in having to bring in outside contractors. The next line payroll taxes and benefits depends how many people are on insurance. Sometimes we don't have many on insurance, so it depends who we have employed at that time. Room's supplies and small kitchen wares we tried to make our best guestimate where we were in the renovation process. We didn't spend as much as we thought but those explanations are over there. Cable, not sure if we had it done last year or not. In May, out of the blue, Charter came in and said we had to rewire all the condos because they were going to digital. That was not something the board was able to plan for. That is why the pool floor was done this year, so we had the money to do that. But that

was done, so we have all digital out there. Trash removal took a big decrease because we didn't need dumpsters when we were ripping out carpet. We did some but not as much as when we were doing 6 or 7 buildings at a time. Any questions on this we can ask in the question and answer. You are in pretty sound shape. If you go down to the bottom line, where it says net operating income or loss, we had a net operating income in 2014 of \$217,000 the association. Then you get the next line depreciation and bad debts are non-cash items that are just an accounting item. Next is Kris Mattes, Fox Hills General Manager to talk about a few things.

Kris: Hi, I am Kris Mattes and I am the General Manager here at the Resort. I know a lot of you probably already noticed some changes in the bar and restaurant area. We did add a new floor into what was called the Willow and we are putting in a grab and go market. The types of items we will have in there will be breakfast, lunch, dinner, snacks, desserts, more single servings. We will have soup, ice cream. We don't have soft serve yet, but we will have malts and shakes and sundaes and stuff like that; but we aren't quite there yet. Hopefully, by this summer, we will have that. That will open Saturday. May 9th. The restaurant will move to the lower area of the bar and that will be called The Hills Bar and Grill. We do have a new menu that will be starting on May 9th as well. We also hired a new Food and Beverage Director who hired a new Chef as well. He started a few months ago so if you haven't tried the food yet, please do. The new menu starting May 9th will feature burgers, steak, pork and chicken. It's going to be a more rustic feel. We're doing a lot of planning getting ready for that. With the Grab and Go we will have Grandma Rita's Chicken. You can pick up and take it back to your condo or come and eat it there. The only other thing I have is right after this meeting we will have Skype with Jill at RCI. If you have questions on weeks or points, Jill will be able to answer that. We will do this for an hour or two depending on how many people are in the room. Yes, right after the meeting we will have a lunch in here around 2:30 or 2:15 depending when everything is ready and will be doing Skype in the next room so you can either eat before or after.

Richard Glomski: Next we will have Richard Isely talk on our resale program. Our buy-back program that we are starting today. We are pretty excited about it and it is for our people. He will elaborate a little more on it.

Richard Isely: Thank you, Richard. I would first like to thank the fellow board members; about a year ago Fox Hills Home Owners Association got back some distressed inventory basically due to a lawsuit in the State of Washington. Joe and Richard came up with a great idea: let's benefit our owners, people in this room and other people who own at Fox Hills. It is called the 2015 Buy-Back Program. What we are going to do is, we have a limited number of inventory and we will offer these to friends, family and our owners of Fox Hills. You, in turn, can buy two weeks in red, white or blue for some really reasonable prices. We are looking at \$2,500 for red, \$1,500 for white and \$500 for blue. There is a \$300 non-refundable fee that is to take care of all the legal work, filing the deed and RCI affiliation. One of the really big perks of this is - if you are currently a week's owner and you wanted to get into points, they were out selling that product anywhere from \$2,000 to \$2900. You can now buy into this program, increase your revenue, and be enrolled into points. With that you can take all of your current inventory you own in weeks and roll it into points as well. The great thing about this is as long as you pay the maintenance fees for 5 years, if you decide after 5 years that you don't want it, you can't travel as much anymore, you can sell it

back to Fox Hills and get your purchase price back. Right, it is the Home Owners Association, you folks in here. What we are looking at is after the 5 years you would have the opportunity to re-up it for 3 more years. At the end of that, you can decide if you want to sell it back to Fox Hills (correction Fox Hills Owners Association) and as long as your maintenance fees are paid you will get your purchase price back. We will be around after the meeting if you have any questions or want to know how to sign up for this. Vicky will be available if you need to get a hold of her, during the week. We do think this is a great program and we wanted to do this as a benefit to our owners. We can discuss this a little later after the meeting. Thank you.

Joe: Ok, this might be a little confusing to you, but I wear two hats here. I am one of the owners of Fox Hills Resort and you hired me as your management company. This would be your home owners association. You would be buying these from and you would also give it back to the association if you decide not to keep them.

Ok, sales/resales and marketing we did. Resort affiliations, we did get Gold Crown again, as Richard said. That's two year in a row and that's fantastic. We really want to know what you think. I get phone calls, letter and e-mails. We value your input, good and bad. Many of the things we did are because of comments from you. That all works very well. That said many of you trade. Good scores make good trading power, but don't cut us any slack. If there are problems, get a hold of one of us. The information for the board is on the website. Most resorts do stress to their owners that giving bad scores only hurts your trading power. We do want to know about it, so fill out your Fox Hills score cards so we can fix the problems. Everything has been going well. The new pool floor should help and we are putting in new asphalt and will be done this year. We got lucky and the oil prices dropped. That is going to start the 27th and should take a week. That whole interior area will be done. All this should help with the scores. We continue with the projects. Villa 10 is getting new P-tacs, new carpeting, two bathrooms will be handicapped, patio doors. We continue to do carpet as needed. We do detailing going through all the units fixing anything that needs repair. We are continuing patio doors. A few more kitchen cabinets but the big expense this year is the asphalt. Here's Richard.

Richard: I would like to talk up our website a little bit. This buy-back program and anything new will be updated on this. We are trying to give value to your ownership. We understand it is difficult to get rid of them, but if you use them it is a good deal. If this works, it may be an avenue where we can possibly do something for the people who want to get rid of them. So watch the website. With that being said....oh he has to talk about Wi-Fi.

Joe: The wi-fi has been totally updated. If you go to number 6 on your notes, the reason that is up is because if there were a lot of people using the wi-fi, it couldn't keep up. A former employee of ours actually came up with this. We used to use antennae, but if a lot of people were on property it couldn't keep up. Please give us feedback on any issues you may have while you are here. There shouldn't be any because it is wired copper phone lines not a signal. This should be much better for us. This is also free, well not free - you pay for it out of your budget, but I was at a resort where they wanted \$12.95 a day to use it. We don't do that here.

Richard: We have to talk about our ballots. Amy won the election! (Laughing and clapping). Amy-don't be afraid to throw your names in.

Richard-We also have approved the reserve study. We may just start out with a study to see how much we should have. We have talked about a reserve for some time now but the time to start a reserve is not when you are in the middle of construction. Now that we have most of that done we can. We aren't looking for a gigantic amount or raise the dues. Our main objective is to keep the dues where they are. If everything goes like we are hoping we might be able to reduce the dues a little bit. Whatever problems we have, we work on together as a board. We had a problem with the house next door that's been sold and possibly a business will be moving in there. We went to a meeting to make sure our rights have been protected. They wanted it rezoned but we got it a conditional use permit which is about the best we could hope for. They weren't going to deny it, but at least it won't be a body shop. It should be something decent. I think we will open it up to question and answers. Please step up to the microphone and state your name.

Hi I am Beverly Bitter-Thank goodness we are back to Gold Crown. Now when we exchange into Gold point resorts we are charged Gold point points. So how do we get more points?

Joe: I will give you the best answer I have and that is that I don't really have one. I have talked to them numerous times. Vicky talked to them and I have some other avenues to see what can be done. They say, well you might not be Gold Crown next year, so they don't want it to go up and down. They have raised the week's trading power, but I agree that is what we were all told by RCI.

Beverly-RCI tells me that they have nothing to do with it and it is all our resort and we have to go to the resort.

Joe-I have some other people I can go to try and get some answers. We aren't going to let this drop. It quite honestly isn't what they told us. There should be a way to adjust this if they can do it for weeks. We just discussed it in our board meeting.

Jerry Johnson-Question about the pool, on the northwest wall I noticed when it is cold outside that the far wall is wet. Do we have a problem in there structurally?

Joe-We did just fix the fans in that room, those two big ducts on the ceiling. We changed the fan motors in those we put new more heavy ones in there that seem to make a big difference in there with the moisture. We did have it checked just recently because we had some water coming in on top where that glass is attached. We had somebody redo the metal flashing around there. He said the guy who did the roof last time didn't quite do the same job that he would have. We did have some coming in between the glass and the wood, but we had him up there looking at the whole roof. So I think it is more of a condensation issue and these fans keeping the air moving should help with that, but I will definitely keep an eye on that. I appreciate that.

Jerry- and secondly I know these timeshares here are for the owners here but I own a timeshare also down in Key Largo and why I bought in there is because at the end of my week, I liked the place and I

had a little note stuck under my door; we have inventory, this is the price and it was a real cheap way of advertising. For your RCI exchange people who come in here, it would give them some food for thought.

Joe-That's a good point. The home owners association doesn't have that many weeks but if the owners don't take advantage of it or their families, then that is a good idea. Our goal is to get them back paying dues. That's a very good thought

Jerry-then also, the pool does look very nice.

Joe-Thank you.

Jeff Schultz-We just came up and ditto on the pool floor. We walked in there and it was like Wow. How many years was the floor like that? I don't know if anyone else was interested on the percentage of nay or yay for the reserve account. If no one else is interested, ok, but I was just wondering what the percentage was.

Joe: Well, we counted up and made sure it passed, but we could put it out in the newsletter. I don't know what the percentage was. I don't have my calculator: but Vicky, was it a high percentage? She is saying it was two to one for votes for the reserve account, so that is 75% to 25% something like that.

Jeff: Ok, that's great. I also have 37,000 points that will expire in June and I can pay a fee to extend those out, but I can use my friends use them but I am not an accountant so to figure out how much is each point worth or going through Red Week if that's a viable option or not. If I could get some help and get some people up here to play golf or eat in the restaurant. How do you value them or how do you get someone else to use them?

Joe: You can come up and talk to us after. Richard has done some research where our points are at versus maintenance fees. Yeah, we could think about putting something on the website. That if someone has some points, you make a good point, that someone should use them. One other thing I forgot to mention is that there are balance sheets up here if, after the meeting, you want one. Usually every year there is a couple people who want to see a balance sheet. Most of us, myself included, have a little trouble understanding them; I have to refer to the accountant. Vicky passed a note that RCI charges two cents a point if you want to buy them; so maybe you could give someone a better deal than that.

Jeff: Thank you.

Good afternoon, my name is Mary and I brought my mother here. She is 87 and she and my father have owned a timeshare here for over 25 years. My dad recently died and we are looking to just sign our timeshare over to somebody. We have a 4-share, so if anyone is interested please see me after and I can give you one of my cards and I would be happy to talk to you about that possibility. Thank you.

Joe: Thank you

Larry Process: Just a quick question on the buy-back, here it says the sale includes owner privileges and

RCI points membership for the first year. So what does it cost after that? I'm not points, I'm a week's guy, so what would be the cost, do we know? *Silence* Ok, so it is similar to weeks? Ok.

Joe: Yes, you get a points membership instead of a week's membership. By contract any week the resort or the association sells, we have to enroll in RCI. Then after that it is up to the individual owner, that's covered in the \$300. We can enroll these in either weeks or points. If you're somebody who likes your weeks and you don't want points, all our agreement with RCI states is that we have to enroll them in RCI the first year.

Larry-OK, thank you.

Joe-Thank you.

Hi, Kurt Keller-I'm just trying to get an idea on the bid for the asphalt, do you know if you are pouring two or four? I am just curious how thick the asphalt is going to be.

Joe: It's Northeast Asphalt doing it, I don't have the bid with me. They are going to grind it all off and fix anything that needs to be fixed below there. It's either two or three inches, oh Ann has the proposal right there. It's either two or three inches, three. She is saying it is 3. Northeast Asphalt does a lot of roads so hopefully we get a stellar job. They're certainly experienced.

Hi my name is Rose Sebastain and I have a red week, so I haven't been up here much for the meetings; but why was there a state of Washington lawsuit?

Joe: There was an entity that you get those cards for. \$2,000 or \$4,000 we will take your week, so this entity took those weeks and they were not paying the dues to any home owners association. So they took your money and they took your week, but then they didn't pay any dues and they let it sit in an entity. The State of Washington, because there were home owners associations like yours, they convinced the attorney general to take action against them. So they sued them and with that they got release of all the weeks back to the home owners associations. I forget how many there were but there were a lot of them across the country. That allowed us to get those weeks back because they weren't paying any dues and those are the weeks we are now offering to the owners.

Rose: I also had paid twice to people \$300 or something; I forgot what I was going to say.

Joe: You bring up a good point, be careful when you deal with one of these. Make sure they are legitimate because I have heard way more stories about they paid these people and they did nothing. If you are to that point, call Vicky. Maybe you saw in the last newsletter that we are offering some of these same options; but we will take the unit. We won't take your money and then not do anything like happened to many people in the past.

Rose: This was many years ago before you guys came in and have ways to do this. What happens to owners who don't pay their dues? Is there a bankruptcy thing or any of that stuff because they didn't pay?

Joe: Yes, Vicky Anderson over here works very diligently at that. First we try to send them notices and get them to pay, but if it somebody through bankruptcy or whatever can't pay, then eventually we try to collect the money in small claims court because it is much more financially feasible. We try to do as little as possible with the attorneys, but when we have to, we start with a letter from the attorney because that seems a little more than a letter from us. Many times that will help clear it up. But eventually, with some people, we end up going to small claims court, getting a judgment. If they don't pay that, then it is pretty easy to get the week back through foreclosure.

Rose: These are stories I have heard from other people, so I wanted to know the truth, if they don't pay what happens.

Joe: No, we do chase them. There aren't that many left. They are pretty well cleaned up. We've had weeks in the past where people were behind, but we put a big effort into cleaning these people up. We had some people we couldn't find because they moved and didn't update their information. It's in pretty good shape in that regard now.

Rose: Well, the way it sounds today. we are doing really good with the way the maintenance fees are compared to some of these other people I talked with over by Baraboo where they are paying high maintenance fees.

Joe: yeah, first of all, all of you and the other owners who aren't here who pay their dues and your board of directors past and present and the staff out here, everybody has always worked together to pull this association from where it was ten or fifteen years ago, it is in very good financial shape, Gold Crown two years in a row. It should be easier to maintain Gold Crown with the new asphalt and pool floor in the future. That's a credit to everyone here. Everyone has worked hard and this association in my mind is very very healthy.

Rose: so the Packer organization and the Casino help?

Joe: I don't know if that helps us much. It's more everyone paying their dues and putting in good feedback and helping. The pool floor was from someone here in this room. They saw it at a resort in the Bahamas. We like to know how staff is doing. We all know how it is with help. I've had someone tell me they wanted me to do thing differently. That's ok that's how we get better.

Rose: Ok, Thank you much.

Pete DeTroye: Two questions, what is your fill rate right now?

Joe: Our occupancy rate?

Pete: Correct

Joe: It changes quite a bit by season. During red time we are about 100%, white is less than that and blue is less than that. Vicky do you have that with you? We can get that for you. I just don't have that in front of me right now.

Pete: Secondly are you currently selling weeks and points?

Joe: We have a company that's still representing us called Bi-Coastal Marketing, that represents the resort. They are trying to sell weeks and points. The last people we had started out good, but they hadn't done a very good job. I am in the midst, my brother and I, with negotiations with somebody on the weeks we own, but it is way too early in the negotiations to tell you, to give you many details but if it works out it would be pretty good for the home owners association.

Pete: thank you

My name is Horst Felter and I am talking about the owner privileges which I know a second owner wouldn't have if I transfer it. I know there is a poison pill built into this.

Joe: That is in the documents, but we waived that quite a few years ago. That was left in from the previous owner's era. We decided, as the developer, once we took over to waive that. So if you wanted to sell it to a child or a neighbor or a friend, you are right, it was the poison pill built in there by the previous owner. We removed that quite a while ago. It might still be in the disclosure book (*correction: this is not discussed in the disclosure book.*)

Horst-so that would be ok if I say you can have my timeshare and you can come golfing for a special price and use the swimming pool and fitness center? That would be a big selling point if I could.

Joe: We have many people here who own including Amy who rarely stays here. They trade somewhere but they live close enough they use the fitness center, so they don't need to pay a fitness center membership. There are several people who are real close by.

Horst-alright thank you.

My name is Ray Ogea and I am getting to the point that I am going to get rid of my timeshare. I'm not 19 anymore. I'm just wondering if you have a resale program for me or do I just stop paying my fees and let you just have it back. Which is most economical for me?

Joe: Well, that's not very economical for you to stop paying your fees because then we will get a judgment against you. You won't have another bill for a while, so ask again next fall we might have something by then.

Ray: ok thank you

Joe: There is a resale form on the website as well. If you go to the website, it has been up there for a while. We have talked about it in previous years. There is a list so if people come or you call, we have made connections with people like yourself who want to sell, but we start at the top of the list and work our way down, so if you haven't put it on there, make sure you put it on there. We are trying to do more than that. That's why we thought we would start with this program and see what worked. We are trying to work on things for people like you who have been good long-term owners and are just at the stage in their life where they just don't want to use it or can't use it anymore.

Hi Jorja Doherty, been an owner for almost 30 years and have really enjoyed it. I'm in the same boat as a lot of people I have talked to here; we are all in the same age group and are in a different stage of our lives. I also have a 4-share for sale or if you want to take it over anyway I was caught when you said that resale, I know that you don't have anything right now, but for those of us that don't want to wait for next year's meeting what can we do? We don't want to ruin our credit rating, but we have to move on. I would like to see more concentration on that effort and I want to sell it through you guys because you know the most about it. I have already contacted Bi-Coastal and I wasn't particularly happy with the result I got from them and I can see why you are looking.

Joe: I am not very happy either.

Jorja: So what other avenues do you have for us right now? Is it like Craigslist? If we found a buyer, where do we go from there and how much would it cost?

Joe: If you found a buyer... Vicky you want to give some info on what it would cost? It's literally a \$30 fee, Vicky can help with it, she did it all the time when we were selling. She knows how to handle the courthouse documents, how to get the deed transferred and things. So if you find somebody or you put it on craigslist, there are people who sell on craigslist or e-bay. We have been kicking this around, I think we may have something now but we are in the early stages. We had a gentleman fly in from California a couple of weeks ago who wants to work with us on some of this inventory but it isn't finalized yet and I don't want to make promises I can't deliver on.

Jorja: So if we have questions, I hate to burden Vicky with all these phone calls about how things have changed because in the years I have owned it, I haven't always been here. Vicky is that a good idea to be calling you?

Joe: That's what she gets paid for... (Laughing)..You also can look on the website; they try to keep a lot of information and the Fox Tales we are mailing them now. Two get mailed and two are on the site. But feel free to call.

Jorja: So if we find a buyer, we call you and pay \$30 and that is how it is?

Joe: The \$30 is for a recording fee, but we can help you with the paperwork.

Jorja: Then there was a \$2,500 fee, that's not the distressed owner thing?

Joe: What we did, we had so many people who were talking to us saying we are having people approaching us and saying you give us from \$2,000-\$8,000 and we will take your week. So we said, if they are going to do that, let's do the same offer. We did have 13 people go through with it. I realize most of you don't want to pay \$2,500 to get rid of your timeshare. So we are trying to work on other avenues so it won't cost you anything. To go along with your original question, it's not very expensive to transfer the deed if you do find somebody.

Jorja: But the offer still stands for \$2,500 for you to buy it back from us?

Joe: not me, the association. But the association doesn't pay you, you pay them to take it back. Yeah, I don't think it is a very good deal; but we put it out there simply because we had people who were doing it, so this way the association gets 5 years maintenance fees so the whole group isn't losing anything.

Joe: Kurt?

Kurt Keller: I have two questions now. Actually a real possible solution now is if you can maintain a list of people who want to sell

Joe: We do have a resale list, you can go to the website and fill a form out. We have taken care of some people on that list. We're always trying to work on it. Unfortunately, you can't telemarket anymore in the state of Wisconsin and that was an affordable way to get people in. So we found out that sales lines weren't functional anymore. We talk about it every meeting and your board is working on it and the goal is to take care of the people. All of you are great owners, so we are definitely working on that.

Kurt: The second question is, it says limited inventory. Can you tell me what limited means? Is it two or fifty?

Joe: It's about 10 units. I can't tell you the exact breakdown between red, white and blue. It is on a first come, first serve basis. If this works well, we will evaluate it. The association isn't really making money. They are getting the dues money. The money goes in escrow. The dues are being paid and they weren't being paid on before.

Joe: any other questions?

My name is Natalie and I have a question that perplexes us a bit. The last time we did an exchange, we paid over \$200 for that and then when we checked in, we paid a \$100 cleaning fee. We don't understand that because we saw no housekeeping during the week and didn't ask for any.

Amy MacMillin: They do disclose that online, but I won't stay there if they charge this.

Natalie: Ok, but this is becoming more prevalent and we have two more vacations coming up. We should be charging this.

Amy: Are you points?

Natalie: We are both. It's double dipping

Vicky: What happens is that points people tend to stay less than a week, so we have to clean the unit more often; so that is why we charge. We do charge it to point's people who don't own here and stay less than a week. If you go online and book a reservation for Fox Hills and you get all the way to the end, you will see it does say there is a housekeeping fee; but we don't charge this to our owners. It's because we have to clean it twice or even daily - depending how long they stay.

Natalie: So you do charge it if it is less than a week. But we don't stay ever less than a week.

Joe: I agree it shouldn't be charged if you stay a week because your maintenance fee is set up to cover

one cleaning. Whether you stay at your home resort or you exchange, it should be paid. I can see why they do this, if you go and stay at resorts for one or two days, you could end up cleaning the room several times in a week. So, we do it here if we have to clean it several times in a week. We will look at that and monitor that.

Natalie: Ok, thank you.

Hi my name is Pat Campbell and I was just wondering for the red, white and blue; if you own points, it doesn't matter right?

Joe: Well, there's different point levels. You get more points for red, white are shoulder seasons that are less and blue is less than that.

Pat: Ok, so if we buy a week or get one free, who do we talk to? Is it RCI or you, to convert it over to points? And how much do we have to pay to switch from weeks to points?

Joe: Presently, you would have to talk to Bi-Coastal until their contract is up; but you can contact Vicky and she will explain what you need to do on that.

Pat: And do you have any idea what that costs these days? Is it still two-three thousand dollars?

Joe: It is, it would be cheaper for you to buy another week. Then you could roll your existing inventory into it. Even if you bought the cheapest one, because one of the things is that if you are weeks and you buy one in points, you can convert your current week into points.

Pat: and I am already points so that wouldn't help. Ok, thank you. ***(Clarification-you can add a unit to your current points account by paying a \$100 fee to RCI).***

Joe: Ma'am

Hi Nancy Bearns here. We are points members and we come back here quite often and we never see a card in our condo for RCI comments.

Joe: RCI comment cards come via e-mail today. They don't mail them out anymore.

Nancy: Well that would be the problem because I don't have a computer.

Joe: Well, that's why you don't see one. Now I don't know when you make a reservation, since you do it with them, would they send one to you if you asked them? I don't know that.

Nancy: I will do that the next time I trade. Another question, in regard to being Gold Crown now have to pay \$50 if we trade for a different time period or a different size unit. Could they forego that because we are Gold Crown?

Joe: Well, we will be speaking to them about different options. That's a good point, I'm going to make a note of that because my memory isn't what it was ten years ago.

Nancy: I appreciate that.

Joe: Yes, sir.

(undisclosed owner) We stayed last year for a couple of weeks. The weather was so bad our furnace wasn't working; it was really a refuge. We were impressed. It was painted and taken care of. However, several years ago we were offered to buy distressed inventory, and then we had the 4-share, they said we will convert you over to points on both of them. I didn't pay too much attention, but 7 years went by and I recognized I was never given points, but I was paying my fee every year. When I questioned it, I was offered weeks instead of points. We've been through a lot here with the former owner, I know he walked off with a lot of the maintenance fees. We were assessed after that to pay for what he walked off with, at least some of it. I accepted the weeks figuring maybe that was the best I could do. So right now we are on weeks, well right now we are on points, but what they did was to give us 7 weeks to compensate for the seven years of points we didn't get. Now you're going to be selling distressed property, I am wondering if anyone else has had this same experience. When you didn't get your points when you paid for them?

Joe: Here that happened?

Owner: yes.

Joe: Let us look into it and we will see if it wasn't handled properly, we will fix it.

Owner: Thank you.

Horst Felter again. I just want to make a comment about this point system. It was February 28th when I checked into the Lawrence Welk Resort in Escondido California and I own a property in Florida, roughly 65,000 points. To get this exchange in Escondido \$259.00, maintenance fee is \$800.00 so the rest of the points I was able to use up in Las Vegas. Again I had to pay another exchange fee of \$209.00. Big mistake, I got this big mailbox of casino offers that I could have stayed two weeks for nothing! ****laughing**** and they're still coming in! It shows you what the points program thing at RCI is charging and they have a deal now where you have to upgrade, in other words you get all the low hanging fruit first. I wanted to really go to Scottsdale. One of those resorts and you can't even get in, then they offer you some of these lesser things. If you up again, you can probably get to Scottsdale anyway. So it's kind of a tricky system, but it really adds up to a lot of money. A friend of mine stayed at Saratoga for \$44 a day! It's a beautiful condo, view of the bay, everything in it so I don't know probably a better deal.

Joe: Richard said he hasn't had much trouble where he's traded.

Owner: I noticed recently there was another company. It's not RCI but

Joe: II?

Owner: I don't know but is it possible to switch over?

Joe: It is Interval International and you can belong to either. We had a former board member who

requested we look into it. We have a pre-existing agreement with RCI that the first year we have to enroll the sale in RCI, but you can switch at anytime if you want to. RCI is the largest, but if they have something you are interested in that is up to you.

Owner: I think it is in Iowa and other areas like that.

Joe: That is an option if you want to switch from RCI.

Joe: Anymore questions?

Kurt: You guys are doing a good job. (Clapping)

Joe: Kurt while you are standing there would you like to make a motion to adjourn?

Kurt: I make a motion to adjourn

Joe: someone walk up to the microphone state your name and say "second".

Paul Marquardt: second

Joe: all in favor

Group: "I"

Joe: if you want to do Skype, it is out the door and to the left in the next room.