

C&O CLUB ASSOCIATION
2010 ANNUAL MEETING
MINUTES

The 2010 Annual Meeting of the C&O Club Association ("Association") was held on Saturday, July 3, 2010 at 9:00 a.m. in the Charlevoix Depot. The following were present in person: Sylvia Frederickson (Unit 3), Lisa Drake (Unit 5), Louis and Patty Beck (Unit 7), Debby Buchanan (Units 11, 23, and 32), Michael Brode (Unit 12), Gary Sakwa (Unit 13), Ron Czar (Unit 17), Tom and Marge Wolohan (Unit 18), Jack and Carol MacKenzie (Unit 20), Paul Hoelderle (Unit 21), Jeff Lipshaw (Unit 24), Tom Bickersteth (Unit 27), Tom Barnes (Unit 28), George Haggard, Jr. (Unit 29), Tom Risi (Unit 34), Tom and Luan Jackson (Unit 35), Vic Stilson (Unit 36). The secretary received notice of the following proxies: Paul Hoelderle held proxies for Josh Barnes (Unit 15) and Darrell Lindley (Unit 19). Ron Czar held a proxy for Chris Helstrom (Unit 16). Tom Wolohan held a proxy for David Johnson (Unit 33). Tom Barnes presided, and declared a quorum was present.

The minutes of the 2009 annual meeting, previously distributed and available on the Association's website, were approved without objection.

Tom Barnes gave the president's report, the text of which is attached as Exhibit A. Tom also extended congratulations to Debby Buchanan and Gary Foster, who were just married.

Ron Czar gave the Treasurer's Report. The financial statements of the Association are available on the website. He reported that the Association is on budget for the year. There have been no one-off requests. The annual operating assessment has been reduced to \$700 (approximately) due to careful control of expenditures (price quotes, work orders, and validation by the treasurer) and the negotiation of fixed fee contracts for lawn and dock services.

All assessments were paid. One case had to be referred to the Association's attorney.

The Association currently has cash on hand of \$99,000, of which \$27,000 is earmarked for the road sinking fund. The required 10% condominium reserve is covered. Ron's expectation is that we will stay on budget through the rest of the year.

Ron reported on the road sinking fund. He walked the entire length of C&O Club Drive and Stroud Court with Rieth-Riley (which used to be H&D) three weeks ago. On a scale of 0-10 (the old Boyne City Road being a 2 and a new road a 10), ours are a 7 or 8 (i.e., far better shape than we expected). They have some edge cracking and longitudinal cracks that need to be repaired, but the expectation is that they will last until approximately 2019, at which point they will need to be pulverized and replaced, at a cost in today's dollar of about \$98,000. The deterioration will not be "straight line." It will accelerate in the final years. To reach \$98,000 from the current level of the fund, we will need to collect about \$250 per unit per year. Louis Beck suggested that we factor inflation into the assessments. Ron also noted, in response to questions, we will make

sure that we comply with applicable regulations, and will undertake a competitive bidding process. Ron noted that we will also want to take account of service considerations in the bidding, because the contractor will need to feather the road to each kind of driveway.

On motion and second, the treasurer's report was approved.

Paul Hoelderle gave the dockmaster's report. We continued to use John Stark for installation and removal. There are no major structural issues with the current dock. A replacement would cost at least \$30,000 to \$40,000. PLEASE DO NOT TIE BOATS TO THE DOCK AT ANY TIME! THE ENTIRE DOCK CAN BE MOVED BY THE WEIGHT OF EVEN A SMALL BOAT.

On motion and second, the dockmaster's report was approved.

Tom Barnes indicated that Ron Czar would give a report on the speed bumps, but that any discussion of changes should be made by way of a written proposal (with drawings showing placement) and indication of the submitter's willingness to be on a committee.

Ron Czar reported that he had observed a near-miss accident with a child as well as cars swerving through the old chicane. After consulting with the Charlevoix police, we changed the spacing to 16' from 20-22' and added the "triples", which are intended to get drivers' attention. Ron also reported on various steps taken to prevent drivers, including commercial vehicles, from going over the lawns. He had to call Waste Management to get its driver not to go over the lawn.

Tom Barnes reported on the new streetlights that will be installed on C&O Club Drive. They are white light, and spread downward, so they ought not to be as problematic for homeowners. They are consistent with the style on Mercer and Cherry Street. They do not last quite as long as the shepherd's crook lights, so will need to be replaced more often.

There was an extended discussion of work being done to put in place a new dock "club" to replace the current arrangements for those who have paid to participate in the community dock. Jeff Lipshaw traced the history of the dock from its creation as a profit center for the developer, Oscar Stroud, and the ad hoc responses to issues that have arisen, particularly since Stroud conveyed the dock to the Association. He said he was drafting a new set of bylaws that would reflect the true economics and legalities of the dock (i.e. it is not an appreciating asset and rights to specific spaces and seniorities do not transfer with the lots in the Association), and also to provide a reasonable opportunity for "dissenters" who do not agree to the new arrangements to withdraw. Tom Risi, Tom Jackson, and Marge Wolohan agreed they would serve on a committee.

There were questions on several subjects, including the ownership of the property between Unit 1 and Depot Beach, whether a unit owner could invest in improvement of the berm near the trailer park, and whether owners could add a basketball court on Stroud

Court at their expense. Tom Barnes requested that all such proposals be thought out carefully in terms of their continued maintenance and funding, and that they be submitted in writing to the Board.

The Board consists of five members. Jeff Lipshaw and Tom Bickersteth were elected in 2009 for a two-year term that expires in 2011. Tom Barnes and Ron Czar were elected in 2008 for a two-year term that expires in 2010. John Kalbfell was elected in 2009 to complete the term of Jack MacKenzie that expired in 2010. John Kalbfell resigned, and Paul Hoelderle was appointed to complete his term. The seats held by Barnes, Czar, Hoelderle were up for election this year, they were the present nominees. Without objection, they were elected for a two-year term that expires in 2012.

The Association will have the following officers: Tom Barnes, president; Tom Bickersteth, vice-president; Ron Czar, treasurer; Jeff Lipshaw, secretary. The Board has appointed Paul Hoelderle as Dockmaster.

The meeting adjourned at approximately 10:25 a.m.

Respectfully submitted,

C&O CLUB ASSOCIATION

By: /s/
Jeff Lipshaw, Secretary

APPENDIX A
PRESIDENT'S REPORT

1. The 2009/2010 year was an extraordinarily quiet one, for which I must acknowledge the work of several neighbors.
 - a. Ron Czar is our treasurer, board member, has accepted and thrived with the delegated responsibility for managing our community maintenance contractor, and has been an neighbor actively keeping the community in check on everything from speeding to tree trimming. Without Ron's efforts the C&O would have been a less pleasant place for me to live and I would have been a terribly ineffective president.
 - b. Paul Hoelderle gave up the presidency last summer and was pulled right back in as Dockmaster when John Kalbfell resigned this Spring. Paul too is an active neighbor who polices the beach, watches for speeders and if I heard correctly recently took to grave digging, to clear a dead fox from our property. He also secured this meeting place for us this morning.
 - c. Jeff Lipshaw is our longstanding secretary and board member. Jeff keeps the board on the straight and narrow, manages our website, manages our membership list, issues all mailings and provides excellent guidance and leadership for our board.
 - d. Tom Bickersteth is our Vice President and active board member. Tom has a good tempering voice for our board. He is my immediate neighbor and I am glad to know that if I decide to resign because my job becomes overly cumbersome he will be able to jump in and run things, likely more capably than me.
 - e. John Kalbfell was our Dockmaster for about 17 years and was on the board. John coordinated the installation and removal of the dock, negotiated with our contractor, oversaw the use of the dock during the season, assigned slips – and did all of this with almost no controversy. John could not attend today, but be aware that the board will be presenting a thank you gift on behalf of the entire association for his long service
2. The major accomplishment of this past year was the successful decrease in operating expenses and resulting improved cash position. Ron will provide more details in his report, but suffice that our dues are down and every indication is they will continue to decrease under Ron's supervision.
3. We did not initiate any major improvement projects this past year, nor do we anticipate any for this coming year. The road fund is established as a separate account and is expected to have a significant balance at the end of this year. Ron Czar and Paul Hoelderle met with Reith Reilly and Ron will report on those results.
4. At the request of the board, Jeff Lipshaw drafted the outline for a new Dock Club (Yacht Club) which would take over responsibility for the present dock. The board had much discussion on this complicated matter and will pursue it further this coming year. More on this under New Business.
5. I would finally like to thank the rest of my neighbors for your cooperation this past year. I make no pretenses about my presidency which, due to my present commitment to rebuild a business, will not withstand more than a very minor conflict. I will not re-iterate my mantra, but suffice it if I paraphrase Kennedy with – “Ask not what your association can do for you, but what you can do for your association.”