

**Lake Forest Resort & Club Condominium Association
Board of Directors Meeting
December 2, 2023**

Call to Order, Establishment of Quorum, and Adoption of Agenda

Dan Krueger called the meeting to order at 9:02 am. Present were Dan Krueger, Tim Mikel, Laurie McWard, Mike Ebben, Ross Radandt, George Swierczynski and Sue Couture. Jay Walt attended via phone conference. After a quorum was established, Laurie moved to approve the agenda, with Ross seconding, and the motion passed unanimously. Dan noted that no visitors were in attendance.

Secretary's Report

The minutes from the September 2023 board meeting were reviewed. Tim moved to approve the minutes, with Ross seconding. The motion passed unanimously.

The minutes from the December 2022 annual meeting were reviewed. The minutes will be presented for approval at the annual meeting.

The logistics of the afternoon electronic owners' meeting were reviewed. There was no correspondence to review.

There was no other business to report.

President's Report

The annual meeting agenda was reviewed. The procedure for the annual meeting was reviewed. Dan appointed Ross Radandt as parliamentarian for the annual meeting.

Resort Manager's Report

As of 8.31.23 the total outstanding maintenance fee receivables were at 52.01%. This is 20.56% higher than the year before due to the increase in weeks being deeded back.

The association currently owns 602 weeks. (52% of the 1154 total weeks)

There are 18 Non-Judicial Foreclosures pending.

We budgeted in 2023 to absorb back 109 weeks. So far this year 67 weeks have been returned with 7 more pending. The remaining 35 we didn't receive back added \$40,390 to our positive cash.

Through week 38 this year, the rental proceeds from association owned weeks paid for 140 maintenance fees of the 602 association owned weeks.

Asset Replacement Committee Report

Review of completed Asset Replacement for 2023

- 109-116 guest bedroom window glass replacements - \$1230
- Completion of Resort Lodge staining - \$11,000
- 101/102 and 103/104 front entry deck replacements - \$13,805
- 2 new dishwashers - \$1,374

There are no further updates planned for 2023. Any expenditures will continue to be addressed on an 'as needed' basis.

As of 10.31.23, there is \$9,575 remaining in the asset replacement budget to cover anything else that may arise this year. If any major replacements are needed and exceed this amount before year end, funds will be drawn from the Asset Reserve Fund.

There are no carry over projects from 2023 and there are no specific projects planned for 2024. We do have a fully funded budget for 2024 of \$65,000, but there are no investments in physical assets planned for the resort in 2024.

The only assets that will be repaired or replaced are things that break or need repair, safety related items and any other items required to maintain the vacation value for the owners. While we do not anticipate any major repairs or projects, there are potential risk areas that we will continue to monitor. These include the Sun Deck on building 101-108, some patio furniture, dishwashers and other appliances, TVs and furniture as necessary. Another possibility could be some of the piers in the bay that may need to be replaced.

Personnel and Policy Committee Report

Housekeeping – Staff are stable at this time.

Maintenance – John has returned part-time after medical leave and an additional person has been hired part-time for the winter. The maintenance service has not been renewed.

Office - Hours have been reduced as we move to Low Season. However, her hospitality experience has been very helpful in booking three large hockey groups for weekends.

There were no new policy changes for 2023.

Finance

Reviewed Profit & Loss Performance through October 31, 2023. Income is trending to exceed budget for the year due to higher maintenance fee collection than expected. Other income, such as rental commissions, is generally in line with budget. Expenses are well below budget through October 31, 2023 resulting in a good financial position overall. Significant reductions were seen in wages, legal expenses, laundry, carpet, and furniture cleaning, and supplies. These trends were first noticed in April at which time the board made a decision to continue operations in 2024 although previously indicating we thought 2023 would likely be the end of our timeshare. The increased income and reduced expenses combine to allow us to propose carrying forward as much as \$250,000 in positive cash flow to 2024. This, along with reduced expenditures on asset replacements, will allow another year at an acceptable maintenance fee of \$1154.

Cash flow through October 31, 2023 reflects the same experience as shared in the Profit & Loss report. A larger influx of maintenance fee payments early in the year and lower than expected expenses throughout the year have combined to create positive cash flow of \$339,000 to date. As the latter part of the year does not have significant revenue projections but does have continuing expenses, it is expected that end of year positive cash flow will be reduced to near \$250,000.

Moving positive cash flow to 2024 will allow us to continue operations at Lake Forest for another year at the same maintenance fee as in 2023. Because the owners authorized the board to use reserves for operations, we will also be able to add to our reserves creating a financial cushion likely to mitigate any need for a special assessment prior to closing on a sale of the resort. In other words, we do not expect to ask for funds from owners in 2025 for the expenses to maintain the resort until a sale closes.

At this time, we should seek a motion authorizing the board to move any positive cash flow from 2023 into our 2024 budget as operating income.

Operating checking account register was reviewed and approved.

As of October 31, 2023, the resort has the following bank balances:

Asset Reserve CD 1	\$78,975.20
Asset Reserve CD 2	\$64,724.14
Asset Checking	\$9,575.01
Operating Checking	\$61,824.19
Operating Money Market	\$252,738.16
Rental Trust Checking	\$73,303.39

REPURPOSING

The Committee met on October 20, November 6 and November 27. A cover letter and questionnaire were developed by the Committee for prospective Realtors to complete and return to us by November 20. Five firms were selected by the committee from our research of numerous Real Estate firms. The questionnaires were sent out and the completed questionnaires were reviewed by all Committee members. Three firms were selected for interviews at this time.

Interview questions have been developed. Interviews have been scheduled this month. The Committee will re-convene and proceed to review all the information from the questionnaires and interviews.

The Committee will recommend a potential Realtor to market and sell LFR to the whole Board of Directors. A potential contract with the Realtor will be reviewed by our Attorney, Amy Sullivan before signing the contract. This decision will be based on the information and facts gathered by the Committee and the approval from our Attorney.

Please note: Offers received prior to contracting with a Realtor will be reviewed by the Board of Directors. If the offer is determined to be an outstanding offer for the owners, it will be submitted to the owners for a vote.

A motion was made to suspend the morning meeting. The motion passed unanimously and the meeting was adjourned at 11:55am to resume after the annual meeting.

Dan reconvened the meeting at 3:36PM. Dan thanked everyone for participating in the Annual Owners Meeting and their contribution to a successful meeting.

Dan went on to ask if all the existing Board members were willing to continue in their respective roles. Everyone agreed to do so.

Officers were re-elected as follows:

President: Dan Krueger

Vice President: Laurie McWard

Secretary: Mike Ebben

Treasurer: Tim Mikel

Members at large: Ross Radandt, Jay Walt, George Swierczynski

The motion passed unanimously.

Committee appointments were as follows:

Asset: Ross Radandt

Personnel and Policy: Laurie McWard

Finance: Tim Mikel

2024 meeting dates:

Spring board meeting at the resort: May 2, 2024

Fall board meeting at the resort: September 19, 2024

Annual meeting in Brookfield, WI: To Be Determined

The balance of the remaining discussion largely centered on the committee's work in evaluating prospective realtors to list and market the sale of the resort.

Dan Krueger will contact parties that have expressed an interest in purchasing and ask them to submit an offer by mid-January. The intent is to qualify interest and bring closure to the issue of having to request "exclusions" from the listing realtor.

At 4:00 pm, Dan asked if there was additional business to discuss. There was not. Ross Radandt made a motion to adjourn and George Swierczynski seconded it. The motion passed unanimously.

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Approved: Pending May 2024 meeting