

May 2, 2019

Wally's Woods Board Meeting

Attendees: Michelle, Phil, Sara, Chris, Jane, Eileen, Jackie, Katie

Opening Prayer

1. Financial update (Jane)-- no update on numbers for dues, etc. for meeting will have that for next.

- Paid tax bill and ins renewal -- \$546.
- Reminders for dues? -- include updated Rules and Regs...

2. Property Management Update (Chris)

- 21 people at clean up day – 4/13 (entire Mark Diener family!!)
- South dam all cleared up – all trees and saplings removed
- Lots of wood split & leaf blowing (a bit left from Fall)
- Sat. 4/28 – invasive species treated on west side of middle lake to new cabin
- Chris will send email about soft lanes (done 5/3)
- Chris will send pics to Phil for website update
- Gravel will need to be spread as weather stabilizes in next few weeks – especially campground where gullies were left from electric repairs last season
- Pond chemicals to be paid for out of invasive grant monies. Take money for payment from invasive account at Diener Bros and immediately move same amount from checking into savings. (all Board members agreed)
- Fall weekend will require more invasive species treatment

3. Communications Committee (Sara) --goal to increase communications with family.

- Send email to all when web updates are posted
- ^^^^ need help from all to make sure we have updated email addresses for all shareholders and members
- Future discussion about list subsets – need separate shareholder list to start (for voting)
 - Shareholders
 - All family (that have requested)
 - Active vs inactive member/shareholders
 - TBD as we discuss
- Jackie- possibility to set up use of paypal for sending monies without any fees – Bryan to help see if we can pay our dues this way upon Jane's return (late May?)

4. Finance Committee –focus on Sunkel call update

- A. Documents overview provided by Jackie (follows these notes)
- B. Process for Buy Out:

Process for buy out of shareholders in our current environment (Kathy H., Jim G., Mary R.)

- i. Update the rules and regulations formally
- ii. Get Board approval of the updated rules and regulations
 - iii. Distribute updated rules and regulations to all shareholders / members (update website & send email as well as snail mail?)

iv. As per the **B/S agrmt** — **shareholders not being bought out will hold a vote to decide if the corporation should buy out those proposed. The vote must be a simple majority. vote can be executed via email but must have a majority REPLY with vote.**

v. Send buy out letters to shareholders with discounts, and deductions taken from value

vi. If there is no reply (we have to decide a timeline for how long we wait?), we can begin the process by sending the first check — if check is cashed the offer has been accepted.

- C. Timelines & Action Items
- i. We'd like to be ready for the shareholders to vote on the buy out by the annual shareholders meeting in November 2019
- ii. Board meeting June 13th to follow up on ideas for updating Rules and Regs.
- iii. Consider sending out new Rules and Regs with a reminder letter for Dues in July?
- iv. How/ when do we define late for dues for shareholders and members – this will correlate with when late fees begin to apply and accrue
- v. What amount should late fee be? -- one sugg is \$50 annually
- ? for sunkel – is it ok to charge these retroactively? i.e. for Jim, Kathy and Mary

Wally's Woods Managing Corporate Docs Overview:

Articles of incorporation — . Establish the corporation

— another document (quit claim deed) gifted a piece of property into the ownership of the corporation, that property we know as Wally's woods. This removed the property from estate taxes/ probate for Walter and Althea. 9these tow things occurred same day — create Corp, so they had a place to "put" the property

— determine corporate ownership will be divided by shares in the corporation (originally, set up for W/A grands to each be gifted 8 shares)

— establish each shareholder is allowed a vote for each share they own... 8 shares=8 votes in the gen 3 owners

— establish the Corp be managed by a board (min. 3, max 6 in original docs) — then **by laws adopted by the board** may update this

***** do not believe this is an alterable document

By Laws —written by shareholders, est rites and rules for shareholders to:

meet annually

elect a board — and define its number and family make up —

then the board elects directors, defined by title and role in by laws

allow for the board to create and enforce rules and regs

defines roles for officers of the corporation (lots for treasurer)

***** takes a majority of shareholders vote to alter (difficult)

Buy /Sell agreement (aka b/s)

binding contract between shareholders defining updated corporate value and individual shareholder value, outlines requirements to adhere to rules and regs, and sale or transfer of shares (ownership in corporation) — for instance, we have determined no one may own shares that is not a direct or adopted descendant of Walter and Althea.

Set a low valuation of the corporation to protect the interest of keeping property if shareholders wish to divest of their ownership or if the corporation needs to buy out uncooperative shareholders

defines some structure for buy out of shareholders (timeline, who/how shares can be transferred, etc.)

***** requires (.66%?) maj. Shareholder vote to alter and legal involvement (VERY difficult to change)

Rules & Regulations — written by the board and enforced by the board —

Board Define whatever financial, safety, property use, etc. deemed necessary by the

Define penalties and timelines for offenses

regs Impacts the **b/s** as that document binds shareholders to abide by the rules and

***** changes need only be approved by majority vote of the board (Relatively easy to change)