

Response to Allegations Made at an Informational Meeting Held September 26, 2010 at RRLE

Compiled by the "Concerned Citizens at RRLE"

(Also Known As Protectors of the RRLE Covenants and the Planned Unit Development)

For decades property owners at Rock River Leisure Estates have debated the language in the Covenants that govern the park. Some of the more controversial language concerns the restrictions placed on RV lots. Some property owners believe the RRLE Covenants allow the use of a recreational vehicle (RV) lot as permanent residence. While others, including the Concerned Citizen at RRLE, believe the Covenants prohibit this use. Numerous attempts to reach a common understanding have always resulted in failure. So the RRLE Board of Directors decided it was important to resolve this issue using the legal system. This is not simply a matter of intellectual debate, but goes to the very future of RRLE and our investment in it. On September 16, 2010 a lawsuit was introduced in the Rock County Circuit Court. Hopefully the court will issue its ruling sometime in 2011 and our internal squabbles on this subject can finally end.

On September 26, 2010 a group of property owners that support permanent residence on RV lots held an informational meeting at the RRLE recreation center. Their purpose was to discuss this lawsuit filed by the Board of Directors. Minutes from their meeting were then mailed to all the RRLE property owners, complete with half-truths and innuendoes. The paragraphs below reiterate those Allegations made at this meeting and the following Truth statements allow you to view things from a very different perspective.

1. Allegation: Harold Estep said the Board did not give status of the Permanent Residence issue at the September 11 Board meeting.

Truth: Per the tape of the property owners forum, at the September 11 Board meeting Harold Estep asked about the status of the Permanent Residence issue and if it was in the Circuit Court at this time. Bob Buckley told him that the attorneys were reviewing it and it was not in the courts at this time. The first time the Board saw the complaint was on September 14 and it was not filed until September 16th.

2. Allegation: Harold Estep said Lucy and Gerry Gaffey invited two Board members, Bob Buckley and Diane Neff, to their property regarding the status of the Permanent Residence Committee. Estep said the Gaffeyes were told by these Board members that the Permanent Residence issue was a "dead issue".

Truth: At the August Board meeting, the RRLE Board agreed to look into implementing the previous "deed restriction" form, which would let violators continue to reside permanently on an RV lot until they sold their property. In a subsequent meeting with Bob Buckley and Diane Neff, Lucy Gaffey started the meeting by saying she had contacted an attorney who told her not to sign anything. Bob Buckley told the Gaffeyes the use of the "deed restriction" form, as a viable compromise in enforcing the Covenants was a "dead issue". Bob also told the Gaffeyes, per the Park attorneys, that this form would not hold up in court because the Board does not have the power to authorize or grandfather a violation of the RRLE Covenants. Neither Bob Buckley nor Diane Neff said that the Permanent Residence issue was a "dead" issue.

3. Allegation: Harold Estep said his place is for sale. Some potential buyers asked him if they could live at RRLE year round and about the sign at the front gate. He said he told them there were people who live at RRLE year round so they would have the right to do that if they so chose. He went on to say that the sign affects the values in the Park and although there are places that have sold, people drop their prices so low, it's really sad.

Truth: What Mr. Estep is advocating here in effect is that he wants the ability to commit a fraud on unsuspecting and uninformed potential buyers. It is unfair not to disclose the legal restrictions placed on those buying an RV lot or any property at RRLE. It is unethical for a current owner, like Mr. Estep, to dump his problem on someone else.

The sign at the front gate is intended to deter this unfair practice and avoid the problem as much as possible. See RRLE Covenants Article I, (i), Page 1, Article IV, (c), Page 9, Article V, Section 1, (b), Page 10, Article V, Section 4, (i), Page 13 and Article VII, Section 3. Also see Wisconsin State Statute 66-0435 (HM). **It is not what is on a lot but how it is used in relation to the Covenants and the PUD.**

The Board's responsibility is to enforce the Covenants. The entire Board simply wants property owners to abide by the Covenants, Rules and By-Laws. They do not want anyone to have to move but they do not want anyone else to make this his or her permanent residence. Although permanent residency is against the Covenants, property owners have access to their property 365 days a year.

As to the lessening of property values because of the restriction against permanent living, the opposite is likely more true. Without this restriction, RRLE development becomes more attractive to people that are primarily looking for low income housing. That is what will negatively impact property values. Mr. Estep also seems to have ignored the fact that real estate values since 2009 have been plummeting all over the United States. Did he expect RRLE to be any different? HELLO!

4. Allegation: Harold Estep said that at every Permanent Resident Committee meeting he wanted to make sure that whatever agreement came out of the Committee that the final approval would be put in front of the property owners and that three-quarters of the property owners would have to approve this before we implement it. He said Diane Neff, Chairperson said she agreed. He went on to say, however, it never went in front of the people for such a vote. It went from that Committee, to the Board, to the attorney's, to the Rock County Court Systems.

Truth: The RRLE Covenants prohibit permanent residence on RV lots. Both Harold Estep and Diane Neff were wrong. Diane Neff has since indicated that she now knows she was wrong, but Harold Estep has never so agreed. Further, it should be clearly noted that Committee members, Harold Estep, Bob Sarto and Marilyn Wirt, all in favor of allowing permanent residency, initiated a request to dissolve the Committee and to take the matter to court. The Board voted in favor of both requests. The purpose of the Permanent Residence Committee, per the previous Board, was to negotiate with Fulton Township to develop a plan for coming into compliance with the permanent residency restrictions on RV lots and submit a recommendation to the Board. It needs to be clearly remembered that until any change in the existing Covenants was adopted by the necessary membership vote, no permanent residency could occur on RV lots. The burden of change to the Covenants and the PUD was and still is on those wanting to allow permanent residence here.

Final approval of any Committee recommendation could not be put in front of the property owners unless the Township approved the recommendation. Even then, the Committee's recommendation, no matter what it was, could not change the Covenants, as the existing Covenants' effectiveness can be changed only by a three-quarters membership vote. If a change in the Covenants and thus the PUD were recommended, the Township would have to approve the change. The Township has indicated it will not approve permanent residency on RV lots and will not approve that change in the Covenants.

5. Allegation: Harold Estep said that suddenly it was brought out that all you could be in the Park was 278 days per year and that it was never talked about in Committee meetings.

Truth: On April 21, 2010, Diane Neff sent an E-Mail to Committee members scheduling the first 2010 meeting and reviewing the Agenda. The Agenda included reviewing status after the winter, discussing next steps and sharing a draft of an Implementation Plan to gradually bring the Park into compliance that she had developed and would distribute for comments. This draft was discussed at every meeting and revised each time based on input from Committee members. Was this sudden? Only for Harold Estep and Bob Sarto who were not trying to resolve the problem, would not participate in reviewing or revising the document and spent their entire time arguing and

disrupting the meetings. Despite a promise by Mr. Sarto to provide additional information to be included in the Implementation Plan before submitting it to the Board, Mr. Sarto did not do so. Diane Neff submitted the final proposal to the Board that was approved by the Committee.

6. Allegation: Jon Strang said, as an owner in the Park, he did not vote to take anyone to court.

Truth: The Board voted to take the Permanent Residence issue to our attorneys. The Board has the power under the Covenants to make this decision and is not obligated to ask the permission of any one or a group of owners in the Park. Wisconsin State Statutes require either a person or persons to be named and served. For financial and practical purposes, in order to not name every property owner, the Board made the decision, consistent with the Park's lawyer's recommendation to name one person who is in violation of the Covenants. This would make the necessary point of the need for all others violating the Covenants to come into compliance.

7. Allegation: Harold Estep said the Board asked for property owners to respond to the request for a dues increase within 30 days and that after the 30 days they were going around asking people who did not vote to vote yes.

Truth: In Board meetings and in three Review, the Board told the property owners the votes would be initially counted following the September meeting and property owners that did not vote could expect someone on their doorstep asking them to vote. At no time did anyone ask property owners to vote yes. Because of the questions regarding this issue, it was referred to the Park attorneys who advised the Board, in writing, they could "canvass".

8. Allegation: Harold Estep said he was in the office last year going over the records of the expenditures for the back pool. He was critical of how much was spent and for what reason.

Truth: You would think they would have found that the fence post should not been billed to the pool repairs, along with the chemicals, parts and labor for showers and sinks, covers for the front pool and a bill for \$7000 for repairs in 2007. Not to mention Bob Sarto and Bob Tirjer who on their own called the state for licensed plumbers to do the job, even after they were told the Park could do the repairs. And what about the \$3500 for new drawings and a \$200 state approval fee, both of which were not needed. This resulted in a required update to the back pool, which cost another \$4000.

9. Allegation: Harold Estep said the courts seem to frown on something that's been allowed for 30 years and all of a sudden a few people want to stop it.

Truth: Mr. Estep is not mentioning Article VII, Section 3. which provides, "Enforcement of these Covenants shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter". This has been in the Covenants for over 40 years. All of a sudden a few people want to stop it? Previous boards over the years had taken some measures to stop or slow it down, but in recent years the problem was becoming worse as word spread among some that one could violate the Covenants with no worry. Harold Estep and others (like Bob Sarto, Krist Enger, Jon Strang, Nancy Schlenz, Bob Tirjer and the Gaffey's) are at best misinformed or are intentionally misleading innocent people.

10. Allegation: Harold Estep said, "We're all paying for this (the cost of enforcing the Covenants)."

Truth: The Park is paying for the lawsuit that was requested by Harold Estep, Bob Sarto and Marilyn Wirt. The Park is paying for the lawsuit because it is the Board's responsibility to enforce the Covenants, Rules and By-Laws

and there are property owners not abiding by them, and they have refused to accept any compromise that has been offered over the last five years at least.

This Board is still well under the budgeted amount of \$8000 for 2010, unlike the previous Board that spent \$12,658.10 on legal fees trying to figure out how to violate the Covenants and the By-Laws with an \$8000 budget. That is why some of its members were removed from that board.

11. **Allegation:** Bob Sarto said the Town of Fulton has nothing on its' books to prevent anybody from staying fulltime or permanently in this Park. He said there are lawyers going through the Covenants and there is nothing that prevents you from living at RRLE permanently.

Truth: From the Town of Fulton - Any person or entity violating any provision of this Code or any ordinance that may be enacted or amended by the Town shall forfeit not less than \$50 nor more than \$1,000 for each violation, together with the costs of prosecution and other court costs and penalty assessments permitted by law, except where a penalty is otherwise specifically provided for. Each separate day shall constitute a separate violation of the ordinance, if the ordinance is one in which a continuing situation is possible. This section shall not be construed to abrogate minimum and maximum penalties prescribed by the laws of the State of Wisconsin. According to the Township, this includes violations of the PUD and thus our Covenants which are the basis of complying with the PUD.

12. **Allegation:** Bob Sarto said everybody who'd opposed him living at RRLE refused to give up their right to move into this Park. He said Buckley, Neff, the whole group, all refused to give up their rights. He said Permanent Residence is for everyone.

Truth: Bob Buckley and Diane Neff did not refuse to sign anything in this regard, nor do they ever intend to live here permanently. When one buys property in the RV section of this Park, by law you imply agreement to comply with the provisions of the RRLE Covenants against permanent residence on an RV lot. This is true in any community where you live and is no different in RRLE.

It should be noted that the same group of people making these allegations continue to do so as of even the last Board meeting and have given no indication of trying to work with the Board other than to stop or disrupt all Board efforts at achieving compliance with the Covenants and addressing the modernization needed.

Please stay informed as things evolve and listen carefully to both sides of all the issues.

Sincerely, Past presidents: Ray Jachim, Ernie Moon, Richard Guiborat, and the Concerned Citizens at RRLE