

*Approved +
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Indian Lakes Estates, Inc.
Special Meeting
September 13, 2007

Present: Jim Way, Curtis Guild, Buddy Mongiovi, Monica Straus, Greg Gilchrist, Gary Ivers,
John Rasnic

The meeting was called to order by President Way who announced that a quorum is present. Mongiovi led Pledge of Allegiance. Invocation was offered by Reverend James Thomas.

Way announced that Tip Tharp has resigned from the Board and thanked him for his services. Tharp has recommended Curtis Guild as his replacement. Guild has Master's Degree in Education, former President of Guild Carbide Products, was a Deacon in his church, and has served in the U.S. Army.

Way reported that there are two issues on the Agenda – one is the Special Assessment Plan to be voted on tonight and the other is a proposed change in Bylaws to be voted on in October. Way presented The Problem: (1) Community is 50 years old and current income not sufficient to make necessary renovations. (2) 1981 income (not including golf course) was \$400,000 and today around \$700,000 - 25 years later. (3) Club House needs serious renovations - roof leaks and exterior repairs. (4) Pier, Security, and Golf Course need major repairs and upgrades. (5) Roads need repair and a report on this issue will be made early next year. Solution presented: (1) Find way for property owners to protect their values and join with homeowners to eliminate problem. (2) Presenting \$3 million budget to fund major renovations. (3) \$3 million to be raised by \$75 per year per lot assessment.

Gilchrist present proposed Club House Renovation Budget: (1) Steel structure (columns, roof, gutters) \$316,592; (2) Columns, Arches, Frame, Stucco \$173,000; (3) North & south roof additions, trusses, labor, plywood, shingles, walls \$260,500; (4) Outside electrical lighting, insurance, plumbing \$7,000; (5) Painting \$15,000; (6) Interior changes to locker rooms, lounges, shower rooms \$5,000; (7) Automatic power generator \$21,000; (8) Permits, impact fees, city fees \$10,000; (9) Storm shutters for ballroom \$6,000; (10) Demolition of third story \$8,000. Total \$822,092 plus 10% builders overhead and profit (10%) \$82,209 and architect fees (10%) \$90,430. Total Budget \$994,731. Bob Miller has met with FEMA regarding storm shelter and architect will develop plan.

Mongiovi presented proposed Security Budget: (1) Manned security gate/patrol \$300,000 [\$60,000/year for 5 years]; (2) Maintain existing rolling stock \$10,000; (3) Gates & buildings \$20,000; (4) Utilities for gate house \$6,500; (5) Upgrade & expand electronic surveillance systems \$100,000; (6) Enhance perimeter security \$25,000; (7) Improve neighborhood watch programs \$5,000; (7) Miscellaneous \$200,000. Total Budget \$546,500. Mongiovi stated that when he joined the Board the Security budget was \$1.38 per year from each lot owner's maintenance fee and the next year was about \$2.50. Mongiovi stated that Special Assessment of \$75 a year for five years can be paid in advance for \$300 at a savings of \$75. ILE can have full-time paid security and gates manned 24 hours a day 7 days a week and can look at alternative entrance and secondary exit in case of emergency. It will also make lakefront more secure with more boat docks. ILE is trying to widen ~~ditches around perimeter.~~

Guild presented Golf Renovation Budget: (1) Green renovations (including traps) \$170,000; (2) Renovate irrigation system \$426,000; (3) Fairway renovation \$100,000; (4) Tee renovation \$40,000; (5) Rough repair \$100,000; (6) Drainage \$20,000; (7) Cart paths \$50,000; (8) Tree replacement \$23,000; (9) Equipment (payments & interest) \$75,000. Guild stated that goal is to increase golf course revenue to \$500,000 by the end of next year.

Ivers presented Lakefront & Marina Budget: (1) Removal of seawalls completed; (2) Pier boards & pilings \$5,000; (3) Handicap bathhouse ramps \$5,000; (4) Bathhouse repairs completed; (5) Keypads for marina security [3] \$1,500; (6) Enlarge pavilion \$30,000; (7) White sand for swimming \$7,000; (8) Boat dock at marina [2 6-boat slips] \$35,000; (9) Boat dock at launch ramp [1 6-boat slip] \$15,000; (9) Lights \$10,000; (10) Scraping the lake (1 time) \$5,000. Total Budget \$243,500. Ivers stated that perimeters must be protected. Cleanup at lakefront includes new 3-1/2 mile nature trail from 630 to lake. **It** will take time to complete this project. Scraping was done many years ago but not maintained so it needs to be done again.

Way stated that monies collected for Special Assessment cannot be spent until it is approved by the courts and will be kept in a separate account and not mingled with other funds. Way reviewed total proposed budget at approximately \$3 million including about 15% contingency. A letter will be sent to all property owners explaining program. Committees are needed to assist Board members to decide how monies will be spent -- Board members are responsible for assure legal and other requirements are met. All amenities need to be upgraded together - one is not more important than another. Projects will be funded on a percentage basis as funds are received and must stay within budget allocations The community must come together to support this program. Way stated that it is easy to believe the issue about special assessment program and lose sight of the real question. The issue is about defining ourselves as a community and making a statement of how we are. Communities have made decisions somewhere along the way to define their futures. There are two extremes among us - those who do not want to pay another dime and those on the other extreme that would pay much more to fix our roads and go all the way. We will proceed to go forward and do the right thing and not allow either side to prevail. The majority will make the decisions. This is the time to move forward. If this is not approved, it probably will not happen again. This program was presented in 2005 and \$70,000 was allocated to the legal costs. Let us "manifest the better angels of our nature" and go forward.

Gilchrist moved that ILE proceed with the project as presented, seconded by Ivers. Way asked for discussion of the motion.

Bud Blount stated that he has concerns about where TLE is headed. Supports the necessity for change. Community was founded 50 years ago and has been through all kinds of issues. Covenants and Bylaws are archaic and pitiful. The word "assessment" appears one time and don't know how we get the authority to levy an assessment. Authority to change Bylaws and raise maintenance fees has been encumbered. Covenants need to be changed before proceeding with special assessment and we are on collision course.

Way responded that Mr. Blount is not a lawyer. Attorney Galloway was recommended by former Attorney Holden and also Judge Baynes. Both attorneys have supported what we are doing. Article VII, Section 1(b) of the Bylaws states that if any assessment is not paid, the Board has the power to

suspend the voting rights and right to use of the Common Property of a property owner who is in default. The attorneys have stipulated that this is the right way to go to allow Board and members to make decisions.

Dennis Baker stated that he is on fixed income and cannot afford the special assessment. John Rasnic proposed that a fund be established for anyone who unable to pay \$75 a year and that he will be willing to match any contributions to this fund.

Archie Meyers stated that he agrees that ILE needs funds but Bylaws need to be changed before a Special Assessment is levied. We need to include two-thirds of the members.

Shirley Dureault stated that she wants the attorney to attend a meeting. Way reported that Attorney Galloway declined to attend this meeting since it would serve no purpose other than to expend corporate funds for legal fees. Richard Dureault stated that he disagrees with intent to borrow money before assessments are completed and does not want money spent before the court rules that it is legal. Way responded that money will not be spent without court's ruling and attorneys assert that we have right to do so. No one may borrow money without approval of the community. We will follow legal decisions of courts and lawyers before spending any money.

Helen Gallagher asked if ballots were sent out to members and has names of four members who did not receive letter or ballot. Althea stated that 30 letters had been returned. Ballots were not sent with letters and members who would be absent had to request ballot.

Carolyn Swicegood asked about nature trail and has concerns about lakefront work being done. Ivers responded that 50 years of neglect has been cleaned up and there will be scars until it heals. It will be maintained and not let go for another 50 years

Jim Register stated that he wants to see terms of payment in writing. He was furnished with copy of letter.

Dick Nash stated that he is concerned that 158 members will speak for 8,000 lot owners. Way stated that 8,000 owners have been making decisions for 50 years to stay the way we are and residents need to stand up and say that we are moving forward. This will open door for covenants to be changed. Nash asked if all owners received letters and Way said that letters were sent to all members.

Madeleine Hamilton asked why the lakefront is being destroyed and wetlands are being dug up. Ivers stated that permit is on file at the office.

Junie Stoddard called for the vote.

Mongiovi stated that community needs to move forward. Property values should increase based on new developments in this area. We need to create atmosphere of family, friends and community so that people want to come here.

Iljave Holder stated we need the support of the Board and what they're trying to do. The courts want to see the will of the community. Your vote to approve this assessment will send a signal to the legal

system. The direction this Board is taking is a lot different than what we were told about ten years ago. This is the right thing to do.

Rasnic informed members of the voting procedure.

Way stated that proposed amendments to Bylaws were being distributed and are attached and made a part of these Minutes.

After votes had been counted, John Rasnic reported that of the 219 votes, 122 voted for the special assessment and 97 voted against it. ILE will move forward with next phase of this project.

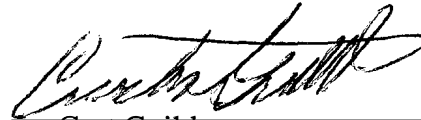
Ivers moved that meeting be adjourned, seconded by Straus, unanimously approved.

Submitted by:



Barbara J. Rippee

Approved by:



Curt Guild