

CSL/CA BOARD MEETING  
MARCH 18, 2008

Clifton Ross, president opened the meeting with the reciting of THE LORD'S PRAYER by those in attendance, followed by the PLEDGE OF ALLEGIANCE TO THE FLAG..

MEMBERS PRESENT:

Clifton Ross, president, Johnnie Vance, vice president, Brad Rupel, treasurer, Kathy Moore, Glenn Vaughn, Virginia Miller, secretary and manager David Maynard.

Johnnie Vance made the motion to accept the minutes of the February 19<sup>th</sup>, 2008 Board Meeting, seconded by Glenn Vaughn. Motion carried.

New Members to be appointed to the Board:  
Rick Hardwick, Carolyn Phipps and Nick Zeser

Johnnie Vance made the motion to appoint Rick Hardwick for a two year term to the Board, seconded by Glenn Vaughn. Roll call vote was unanimous.

Johnnie Vance made the motion to appoint Carolyn Phipps for a two year term to the Board, seconded by Kathy Moore. Roll call vote was unanimous.

Virginia Miller made the motion to accept Nick Zeser for the one year term. Roll call vote was unanimous.

Brad Rupel and Virginia Miller both asked to remove their names from the Recall election only. As it stands now, we have the Recall election taking place at 8:00 a.m. on April 5<sup>th</sup>. If the vote is yes to remove four people from the Board which is Brad Rupel, Virginia Miller, Clifton Ross and Johnnie Vance, there remains two candidates for the Replacement Election, which are Johnnie Vance and Clifton Ross. That would leave two open seats with no candidates running for them. At the Annual Meeting, starting registration at 11:00 am, meeting beginning at 1:00 pm, there are three candidates running, Kathy Moore, Brad Rupel and Virginia Miller. There are no other candidates because all candidates have withdrawn.

MANAGER'S REPORT:

Mr. Maynard introduced Gary Foster as our new part-time Security Chief.

Dave read the letter he wrote to Gary with his responsibilities on the job. Everyone welcomed Gary.

Membership & Election requested that Dave read the second reading of the changes of Item 6, Article 11, Section 3, and it be adopted in preparation for the Annual Election. The current reading is SPECIAL MEETING OF THE MEMBERS may be called by the president of the Association's Board of Directors, by a majority of the Board of Directors or by written petition signed by at least 10% of the members of the Association in good standing.

If approved it will read, SPECIAL MEETING OF THE MEMBERS MAY BE CALLED BY THE PRESIDENT OF THE ASSOCIATION'S BOARD OF DIRECTORS, BY A MAJORITY OF THE BOARD OF DIRECTORS, OR BY WRITTEN PETITION SIGNED BY AT LEAST 25% OF THE MEMBERS OF THE ASSOCIATION IN GOOD STANDING FOR GENERAL PURPOSES. RECALL OF BOARD MEMBERS MAY BE DONE ONLY BY PETITION OF THE MEMBERS AS HEREIN NOTED AND MUST ADDRESS INDIVIDUAL BOARD MEMBERS, NOT MORE THAN ONE BOARD MEMBER PER PETITION.

Johnnie Vance made the motion to accept the change, seconded by Glenn Vaughn. It was approved unanimously by a roll call vote. There will be six changes read at the Annual Meeting and part of the ballot.

Brooks & Earl submitted a bid for the Low Water Bridge. The Board reviewed the bid and requested it be put out to bid. One other bid was received but did not meet the criteria of the bid. An Engineering firm was referred to us and they have agreed, free of charge, to evaluate the condition of the Bridge and provide specs as to what needs to be done. Glenn Vaughn made the motion to get the evaluation, Johnnie Vance seconded. Unanimous vote.

Spring Clean-Up! There is a notice on the Website for all to see. Dave read the article he put on the website. "This is the first phase of spring Clean-Up when you are asked to clean up your own property. No property at any time should have garbage piled in the yard, in open trucks or trailers or on the porch or decks that is not contained in trash cans. During the week of March 16<sup>th</sup> to March 22<sup>nd</sup> you are requested to clean up your mess and dispose of it properly. No property owner or resident of CSL should have to put up their neighbors garbage stored outside in a manner where it is not properly contained or disposed of in a timely manner. This is not an issue of property rights. This is an issue of health and welfare. For those who do not do so, our inspector, Kevin Spine will be out to view each property during the week of March 24<sup>th</sup> to issue tickets to each of you who have not cleaned up your mess. You'll have a short time in which to completely clean up the mess in order for the ticket to be cancelled. Failure to do so will result in a substantial fine. Continued failure to do so will result in weekly additional tickets until the mess is cleaned up. I sincerely regret the need to direct this action, but too many people cannot seem to understand they have a responsibility to act in a reasonable manner in regard to this matter. To those of you that do take care of this matter in a timely manner...thank you for your cooperation." Dave counted 21 in a small section of the community on a Friday, on Monday morning only six were not cleaned up in just two days time. That's pretty good.

Phase 2 of Spring Clean-Up will be cleaning up and re-installing missing skirting on the many homes where it is missing or damaged in CSL. That will be done during the month of April. Please plan ahead to get it done.

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Many people in North Vernon that have driven through our community in the past few weeks are really nasty in their comments about how this place looks. Those of you who don't like the CSL reputation might consider doing your part to change that reputation. Cleaning up your property and properly reinstalling the missing skirting on your homes would help a lot! Thank you!

We, the Association, have been lax in addressing this problem over the last several months, if not a year. Dave stated he owes an apology to all of you that take care of your homes. He said he has been focused tightly on trying to get certain things accomplished and he said he had not paid close enough personal attention to the problem. It is a problem that is out of hand.

He didn't go through just that one neighborhood Friday, he went through several neighborhoods. Yes, it is badly out of hand throughout the community. We need to do what we should be doing to get this straightened out and the Association is going to take the lead aggressively in dealing with it this year.

He said he realizes there are some people who have problems that might make it difficult to deal with this, but if you have neighbors that care, maybe they could help.

The Board held interviews last week in Executive session. Virginia Collingsworth was interviewed first. In December, it was announced that she had been the preliminary selection for operating the Restaurant. There had been a series of concerns that have been considered. A second party had also been interviewed previously. That was Myrna & Lee Percifield. The Board also interviewed them. We are in a very difficult financial year and the Association cannot afford to be in a position of having another failure once the Restaurant is started. We have put approximately \$20,000.00 last year into the remodeling of the Restaurant. We need for this to be a good, solid, business wise, properly run and financially stable operation. As a result, the Board selected Myrna and Lee Percifield to run the Restaurant. Dave said he thought we will be very pleased with what they are proposing to do. (Clapping) They intend to have the Restaurant open within 30 days of it being turned over to them. Before the Restaurant can open, we have to come up with two major items, a grill hood with specific dimensions and the relocating the fire structure over the grills. Once that is done, it should be ready to clean up for opening.

At the Annual Meeting, we will be addressing and discussing our financial situation in CSL. The Board has asked Dave to address the alternatives, discuss them with the members and see what we feel most comfortable with the alternatives to work with. There are means to solve the issues this year.

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Our largest property owner and his partners own 25% of CSL. That represents enough of our income to seriously damage the community and just about put to a stop any progress for however many years if it is tied up in court and tax sales if it goes into bankruptcy. A normal course of business on this would be to file a collection case and seek to have a lien put on him and order payments to be made in a progressive manner. The problem is, in order to meet the requirements the court would put on him, would almost certainly force him into bankruptcy. If he goes into bankruptcy, because it is a business not a personal holding, it will almost certainly be divested in bankruptcy. That means it would be held in limbo until the County has a tax sale. This year we have a substantial change to the property tax laws. The County has warned me that they probably will not hold a property tax sale and they have to wait at least a year anyway. Instead of paying us last fall, he paid his property taxes. That means he has one full year where it will sit in limbo before it even goes into property tax sale.

Count the timing. He has one full year going through bankruptcy, where it cannot be sold for property taxes, has to wait one year past the deadline for 2008 taxes, that gets us towards the end of 2009 and then it is a year to redeem the property. That is a loss to CSL of over \$1,000,000.00. That will not put us out of business or completely destroy the community, but it will totally destroy the ability to make any meaningful progress at all for three years.

Even then, we don't know for sure if the properties will be bought at a tax sale. If they are not purchased at tax sale, they sit for another year before the County finally does a Commissioners Sale. That basically gives them away to anyone that wants them. We cannot stand four years. Dave told us that up front.

Dave has suggested to the Board and would like for the members to know the problem and agree with this. If we are in this position and there is nothing forthcoming later this year, that we place liens on the properties rather than going to court to collect. Liens mean that if there is any change of ownership before the deed can be filed, our accounts have to be paid first. There is a way to defeat the liens, some buyers may attempt to do so, but most buyers would not attempt. There is a higher likely hood of collecting our accounts that way than there is by going to court. He admonished members to contact their own attorney and ask questions. Our Attorney is out of town for one week. By the time of our Annual meeting, we should have an answer from him. It will be posted on the website and on our bulletin board for all to read. The large property owner is still trying to find financing, but we will probably see little or no money from him this year.

Consequently we have taken steps to cut expenses. We have laid-off five guards, including our Security Chief. There are other provisions being looked at. There is not a lot in our Budget that can be cut in large numbers. We are very reluctant to cut what little money is in there for paving and going forward with improvements.

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The ditching will go ahead this year and the Board is strongly committed to keeping the money in the budget for repairs to get finished this year. Some can be done with the drag patch paver that was bought this year. We are committed to make progress. We do what we can as we can to make this community better.

There are a lot of people that have not paid their dues. Last year, the 2007 Dues, we did pass our 80% of collections on February 28<sup>th</sup>. We still have a lot of unpaid delinquent dues. In the court case that was held yesterday, because of an issue that was raised at the last minute, Dave has to file a report with the court within two weeks. He fully expects to win the dues and assessments, but not the fines. If we win that case, we will start filing other large cases and very little doubt that we will not win the other cases also. We filed twelve cases, the other eleven have been decided and judgments were handed down. We won all of them. We have to be careful to file against those that are available and can pay. Contrary to what has been said in the community, Dave had filed cases against four people for the association, four for the town issue and four that appeared to be for nobody. The office staff has been working hard on past files that were in a mess and correct them ready to file immediately after April 1<sup>st</sup>.

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2008 will be a very difficult year financially. It is going to be very difficult to do many of things that even he as the manager feels that we should be doing. There will be requests by the Board that will not be done, because the money is not there to do it. The only way that we are going to get through this year in any reasonable fashion, is if we get around to burying our differences. It doesn't do any good to be angry at each other. We need to come together as a community and start doing the things that we can do to help each other. We have people right now that are angry because their ditch didn't get cleaned out even though they were told it would be a three to five year project. So they rake all their leaves and sticks into their ditches and it creates a mess every time it rains. The restaurant was put back another day, because Dave had to send the crew out to open ditches and culverts again. We have to do what we can to keep moving forward and get the basics done. There is not the extra money to hire extra people to get these little things done.

We have a contract proposal from Aquatic Control for the Lakes this year. This is year two of the weed control program to try to get our lakes cleaned up before they weed over and we can't control it any more. The contract is in the amount of \$6,890.00 including sales tax of \$390.00 Budgeted for it is \$10,000.00 for it, so it is under budget. If it is approved tonight, there would be a \$195.00 discount off the price. Glenn Vaughn made the motion to approve the contract with Aquatic Control, seconded by Kathy Moore. Motion carried unanimously.

In answer to a question that was asked in the office today; back in the first week of March, before we were contacted by the largest property owner and was informed that he was not going to be able to pay his dues, we had an opportunity to purchase a replacement vehicle to use as a cruiser. We have two security trucks with over 200,000 miles that are not cost effective to keep repairing. It is a 1994 Crown Victoria, the same as we have now, but without the police package on it. In the budget, we had provided \$7500.00 to buy a cruiser. This particular car was purchased for \$1800. It was inspected by the Ford Dealer and their estimate for repairs was \$1,403.00 if done by them. We purchased the parts from NAPA for \$804.61 and the repairs were completed in house by our maintenance for a total of \$2,737.93 in the vehicle. The only remaining cost may be the replacement of the radio for \$345.00 A total of just over \$3,000.00 The two pick-ups will be put up for auction as well as the old 5 ton dump truck.

Norma stated that if a Board member has served two terms on the Board, they are not supposed to be capable (eligible) to run for another term. She was referring to both Virginia Miller and Brad Rupel. She said a part term is considered a full term. Betty Hutt stated that the same question came up several years ago. An authority on Roberts Rules said that if it is less than a half of a year, it is not considered serving a full term. A half a year or thereon it can be counted as a full year term. Dave said that was his understanding as well. In elections, he always defers to Membership and Election and they did find them as valid candidates.

A member asked about the collections for the fish and if that money is going to be used or what. Dave replied that we are waiting for an answer from the State. The members need to know that Michele Evans EMS Director filled a complaint against us again this spring claiming that our dam is leaking and requesting that our lake be drained and if necessary our dam be removed. That has been challenged again; the paper work is nearly done by the engineers, which cost us some money to do, clearly demonstrating that her contention is false. The problem we are dealing with is that if she wins her complaint, we spend the summer with no lake again. We had preliminary approval to wait until fall to fix the one remaining leak. If we have to drain it completely for the whole summer, we probably won't have many fish to survive. Obviously, we have to wait until we know what is going on. During the winter, they would survive, but during the summer many would not survive. Right now we are handling it as extreme flood control measures. Dave made a comment saying that he cannot prove it, but if he can ever prove it he intends to do something about it. He stated that across route 7 North Vernon is attempting to annex that whole area primarily for industrial use. The flood plain for Six Mile Creek is across route 7. He has been informed by a reliable party in North Vernon that there is a proposed industrial site in the middle of that flood plain. It strikes him as very strange that we have somebody who listens to those same people threatening to drain our lake and remove our Dam under a State and Federal order at the same time that this industrial site is being proposed in the flood plain. One thing that he finds ridiculous is, this Dam is acting as a flood control limiting the amount of water going into that flood plain.

If this lake and Dam were not here, that flood plain would be unusable by State and Federal law. He said he sure wants to know how North Vernon can be proposing an industrial site in a flood plain. There is something that really stinks about this issue.

We have until the 28<sup>th</sup> of March to answer the State on the issue of the Lake. We are supposed to know this spring. This last six months has been about as frustrating and demoralizing a time for him as the manager here as just about anything he can imagine for any manager. With everything that is going on, it is extremely difficult to have the time to do the job he should be doing. As was mentioned earlier, now we've agreed it is past. We need to come together and work together as a community. Sometimes adversities spawn an improvement in the community as a whole.

**FINANCE:** Brad Rupel, liaison made the motion to authorize Clifton Ross, Johnnie Vance, Kathy Moore, Glenn Vaughn to be the four authorized signers on the corporate accounts of CSL Corporation, with the secretary and president signing the authorization, seconded by Kathy Moore. Unanimous show of hands.

Brad gave the cash report as follows: Road Bond Account \$ 286.34 Manager's Account \$674.34 Accounts Payable \$117,554.37 Payroll Account \$690.56 Clubhouse Account \$171.29 Redevelopment Account \$996.00 February dues collected \$121,948.38; February sales collected \$ 1,994.78; March dues collected \$106,570.83; March sales collected \$ 687.65; 2008 dues collected as of today \$277,430.58 which is approximately 28.26% of total billed dues. We are a little ahead of last year's collections.

As Dave commented, we collected 80% (\$812,298.88) of our last years budgeted collection of \$1,011,750.00. That is a great cash flow. On the Dedication Assessment we collected 73.38% of that last year (\$140,894.74) of \$192,000.00 billed. Brad said he paid all of his dues from all his personal entities and has done his part and is practicing what he preaches. Your community needs you to pay your dues and assessments before April 1<sup>st</sup>. (Much clapping)

**CLUBHOUSE:** Virginia Miller, liaison, had nothing more to report. Dave had reported on the Restaurant.

**JUDICIAL:** Glenn Vaughn, liaison, reported there were Citations (4) found guilty, Judgments withheld (0), Cases rescheduled (0), Architecture citations corrected (0), Cases dismissed (0), Warnings issued (0), Total citations (4), Total fines issued \$285.00, Total amount collected \$585.00

**LAKES:** Clifton Ross, liaison, reported the lake is being drawn down some. The Boats are to be removed from the Pavilion on April 12<sup>th</sup> from 10:00-12:00. If you had a boat sticker in 2007, the new stickers will be free.

**MEMBERSHIP & ELECTION:** No liaison

RECREATION: Kathy Moore, liaison, asked for people to join the committee to help. The Easter Egg Hunt will be at the Clubhouse on Saturday March 22<sup>nd</sup>. There will be individual age groups. She will be reviewing the committee packet and be present it to the Board for approval and signatures.

SECURITY: Johnnie Vance, liaison, had nothing more to report. The personnel issue was reported by the manager.

STREETS & EASEMENTS: No liaison

OLD BUSINESS: Joan Elliott reported the item she wanted to discuss has already been taken care of.

NEW BUSINESS: Jean Meador asked when the trailers are supposed to have been removed and is it documented. Was it done last year, five years ago or when was it done? Dave said we do have a partial list of the trailers removed since July of 2006 that Kevin has composed. She also mentioned the Foxmour area on Greenbrier being so nasty. Kevin Spine, our inspector, is working on that area as well as others.

Clifton Ross told John Scheible that Glenn Vaughn and Kathy Moore will be over the Playground Fund checking account. John asked why it is being taken away from the committee. Dave explained that it is not being taken away from the committee. The Board controls all finances. He called the bank today and verified that there is \$5,300. in that account and it is not being used for anything else.

Betty Hutt asked if the committee is going to have a Garage Sale Function this year. She stated she was happy with the new appointments made to the Board. (Clapping)

Motion was made by Johnnie Vance to adjourn the meeting, seconded by Glenn Vaughn. Meeting adjourned at 8:00 p.m.

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Clifton Ross, president

Date

Virginia Miller, secretary