

CSL /CA BOARD MEETING
September 19th, 2006

INVOCATION: Led by Wm Jones, president

PLEDGE OF ALLEGIANCE TO THE FLAG

MEMBERS PRESENT:

Wm Jones, Clifton Ross, Johnnie Vance, Don Worthington, Don Riddle, Ralph Sadler, Bob Phillips, Brad Rupel and Virginia Miller, secretary. Dave Maynard, Manager.

Bob Phillips made the motion to accept the minutes of July 18th, 2006 Board meeting, seconded by Ralph Sadler. Motion Carried.

Johnnie Vance made the motion to accept the minutes of August 15th, seconded by Don Worthington. Motion carried.

There were not enough minutes printed for everyone, so Dave asked for a show of hands wanting a copy of the minutes. He explained that our copier will not copy both sides, so we had to out source the copies.

MANAGER'S REPORT: Dave Maynard, manager, reported we have another police cruiser, a 1998 Crown Victoria donated by Vic Davis, so we now have two police cars. Tony Baumert has paid \$50,000.00 which is close to payment in full.

When Dave arrived here he inherited an accounts receivable system which had been changed over the last two years. About 2400 statements went out in July and approximately 1280 of those statements had errors on them. Those were already in process of being printed when he arrived. He has spent an credible number of hours in the office trying desperately to get these statements corrected. Realistically, there are a few statements out there that probably have errors on them. According to our Covenants and Restrictions every statement must be sent to the deed owner of record as reported in the county recorders office. During the past two years a huge number of statements were changed to the names of the renters or our contract buyers. That is not the way the CSL Restrictions & Covenants specify they must be done. Why it was done, Dave does not know, but he does know that many who are property owners did not receive their statements directly so they could deal with the proper person. As far as the amount on the statements, if you have a receipt or cancelled check that shows you made payments on dues and assessments that are not reflected on the statement, please bring it in so we can match and correct the records. As most of you know, there was an issue of theft in the office prior to Dave's arrival. There is a large sum of money that was taken, it was all cash payments. There is a press release that has already gone to the Newspapers from the State Police, so he was not out of order in saying this. A Fraud Audit report has been completed and turned over to the State Police Investigation unit at Seymour and a formal investigation is underway. When it is completed, depending on what the investigation proves, charges will be pending. It is handled in this manner to assure that it is wholly 100% viable for prosecution. It has not been allowed to slip through the cracks.

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Dave was asked to address tonight (by some renters, contract buyers and property owners) in regard to the streets. We are in the process of receiving a large number of dues and assessments. We have taken in more today than in the entire time he has been here with the exception of the checks from Tony Baumert. If this

continues through the end of the amnesty period, we will then be in a position to determine matching funds to a minimum operating budget through the balance of the year. After that Dave's priority bases exactly what needs to be done with what funds are left. The first priority tentatively, subject to final approval by the Board, after going through the process of review, is Crestwood Dam. It has a hole in it about 40% through the base of the dam and cannot be ignored and has to be repaired at a cost of approximately \$15,000.00. It cannot go through the winter. Second, third, fourth, fifth, priorities will have to be determined by the committees who are in charge of that responsibility and the board. He honestly believes that one of the highest priorities will be streets to get the pot holes patched and the rest of the work necessary to stabilize the roads for the winter. He does not believe there will be enough to do every pot hole or every street. There will be an attempt to do the ones that are the worst. There are streets that need to be dug up, graveled and re-paved, but there will not enough money to do it all. There will be a very strong effort to do what needs to be done. And again because Dave doesn't like to be called a liar for a statement against him, that is subject to funds available. If there are funds available it will be done. There are a lot of issues on the table. A lot of people that live on the lakes have had to put up with the stench of the weeds in the lakes. The lake treatment program has been let go for about two and a half years and it needs to be done. The big lake can be brought down five and one half feet for the winter. That would kill a large portion of the weeds, perhaps 90 to 95%, but they will come back. The purpose of treating those weeds as well as the draw down is the chemical treatment will kill the roots. Some of the roots survive the winter. There are bad weed problems on Tanglewood and Briarwood lakes. They need chemical treatment. At this point the issue is whether the pot holes are patched or the lakes are treated.

The other priority is (and he doesn't want anyone to point a finger at him and tell him he didn't tell us so) the one large plow vehicle in extremely poor condition. If we have a two or three day storm and that truck fails the first day, we will not have roads plowed and we will be forced to go to emergency circumstances which is the main roads will be plowed and the side roads will have to wait. We have two salt dogs with spinners on the back, but they are undersize for the equipment we need here. If we don't replace the plow truck, we will be in serious trouble plowing the roads.

Those are the major concerns that Dave had been asked to address in his manager's report. There were questions about the school bus stops and more monitors are needed. She (Missy) had many suggestions. She was advised to talk to the school administrators rather than the manager intervening in the situation. The security guards have been advised to check the bus stops. It is the parent's responsibility to let the School Board know what and where the problems are. There was much discussion regarding the situation.

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Someone asked when the big lake will be lowered. Dave said it would not be after Thanksgiving because a lot of people need to work on their sea walls while the water is down.

CRESTWOOD DAM LAKE: Dave stated that when that Dam is repaired anyone living on that lake needs to be aware that to do the repair requires draining that lake and based on the wires that go into it and one month to do the work, it may be spring or later before it is refilled. When the work is done on the dam, the pipe on the other side of the road will be assessed and estimated for replacing 160 feet.

COAST TO COAST: The drain tiles have been vandalized, filled with rocks and will need to be dug up. Dave apologized for his anger in the letter to the editor of the paper. The picnic tables were destroyed at the pavilion and when the persons are identified doing the damage they will be prosecuted. With the Boards permission they are being repaired and will be put back in the pavilion.

Dave and Steve Young went out and check the streets and flooding when we had the 8 ½” rain and found many culvert ends either plugged or caved in. It is the responsibility of the property owner to see that their culverts are clear. 90% of the damage to the streets has been caused by plugged culverts or undersized and ditches that have not been kept clean. The association needs your help to keep those clean. We have one back hoe and loader and we cannot do it all. The maintenance crew will start cleaning ditches after pot holes are filled and money is exhausted.

STREETS & EASEMENTS: Dave said that the clay in the area is what is called Cincinnati clay. When it rains it swells, it goes up and down causing part of our road problems. Some of the roads have already had the clay removed and gravel put down to stabilize. If we are going to do them, we must do them right the first time, because there is not enough money to do the roads again. Dave said he believes that is what Steve has been trying to do. Steve is a very capable, knowledgeable maintenance supervisor, but at the same time he is seeing conditions out here in some places that he hasn't seen before and in all Dave's years he hasn't seen them before. He said they are doing their best to come up with the right answer the first time. As he has told all his employees, if you are doing something you are going to make an occasional mistake. If you aren't making mistakes, be prepared to be standing in front of me explaining why you aren't doing anything, because we can't afford to pay you to do nothing. An employee left us a couple of weeks ago. She was given a simple choice, you aren't productive, you're not reliable, you're not doing your job, every employee has the right to resign. It is your choice.

ARCHITECTURE COMMITTEE: Johnnie Vance, liaison, read a complete report from the inspector. This committee needs more members.

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CLUBHOUSE COMMITTEE: Virginia Miller, liaison, thanked the members of the committee for cleaning the restaurant before it opens next Thursday, Penny Adams, Ed and Carol Wright. The committee needs more members.

FINANCE: Brad Rupel, liaison, was not able to attend the meeting. He made a motion to extend the amnesty period to the 26th of September because the statements did not come from the accountant and did not get out until this week, so the motion to extend the five day period to allow people that did not get their statement one last chance to pay or make an agreement to pay, seconded by Bob Phillips. Motion carried. Dave stated that 4:00 pm on the 26th is the deadline. Bill said this should not happen again because we can now print our own statements.

Dave asked that we have a moment of silence in respect of the death of the original developer JAMES J. RUPEL. At the time that this community was developed, very few communities that were started ever survived. He did something that was nearly impossible. He built two of these communities, one at Hidden Valley Lakes and the one here were virtually started at the same time and survived a period that destroyed many other similar private communities in the state. When he turned the assets over to the property owners in 1994, all of the amenities were completed and in good working condition, the pool, the roads, the tennis courts everything. Dave sent a floral arrangement to the funeral home from the community, the board, and the management staff.

Brad thanked Dave and those in the community that expressed their condolence to the family. He hopes everyone will enjoy his legacy for time to come.

Cash in bank today including the \$100,000.00 CD is approximately \$132,000.00 That is before today's deposit of \$51,870.00 July and August statements are here and can be picked up in the office if you didn't get one tonight. At the end of August we still had one million eleven thousand dollars in receivables and we have had substantial dues collected since then. The August dues collected were \$24,861.88 in addition there was a check for \$29,287.00 collected including a check of \$25,898.00 settlement on our pool damages. September dues collected through yesterday were \$42,011.41 and other receipts were \$3,215.00 and today's deposit was \$52,870.00 Over \$90,000.00 was collected so far this month on our dues. He hopes by the end of this month the dues will be \$900,000.00 collected. We will have a substantial write off because of the commissioner's sale where they sold lots that had not had dues paid on them. A tax sale will be coming up in October. We need to work together and get our property values up.

Dave said that the committee got the report on bankruptcies, foreclosures, and tax sales represent a huge amount of money lost over the last three years in this community. If you go back to 2002 to records from the county and all other sources, we are still working on these. He will report numbers back to the committee and the Board for the October meeting. The office is where the screw-up was because they did not get the paperwork to the accountants.

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JUDICIAL: Ralph Sadler, liaison, met August 19th. Manager suggested some new procedures for issuing tickets, such as education, written warnings and then ticket. There was some rebuttal from the community regarding the suggested 40 mile per hour. Bill explained we already have a 25 mile speed limit, so why not obey the law as set.

Dave explained that past managers refused to collect the fines. In July, Dave made us a promise that those who don't pay their dues and assessments will go to court and be collected. Those who don't pay their fines in most cases don't pay their dues and assessments and the court administrator has said "yes, include it in the court cases and it will be collected."

Betty Hutt asked if security will have a way of knowing how many warnings or tickets have been given. Ralph stated that the system of tracking the tickets is being looked into. There was further discussion that could not be clearly heard.

Brad said we need to try something, because what we have been doing is not working. Dave Brinkman said we are making a lot of changes. We have limited manpower and we are trying to set a standard. As far as the radar, it is allowed in our private community.

Ralph gave the judicial report as follows: One found guilty of unlicensed vehicle, two judgments withheld inaccurate report, two rescheduled, eight dismissed because of improper procedures by the officer, total 13, fines issued \$50.00 none collected.

LAKES: Clifton Ross, liaison, thanked Mr. Vaughn for all his work.

MEMBERSHIP & ELECTION: Bill Jones, liaison, reported the showing of ID cards at the board meetings. The committee is suggesting we temporarily suspend the showing of ID cards until further notice. Bill made the motion that the showing of ID cards at the Board meetings be suspended temporarily until further notice, seconded by Johnnie Vance. Roll call vote (two, no) (6, yes) Motion carried.

RECREATION: Don Riddle, liaison, reported the Halloween party will be reported next month.

SECURITY: Don Worthington, liaison, reported the guard shack has a new CB radio. Three new members to the committee. Don made the motion to accept Ed Wright as a member to the committee, seconded by Don Riddle. Motion carried. Don made the motion to accept Carol Wright as a member, seconded by Johnnie Vance, motion carried. Don made the motion to accept Penny Adams as a new member to security, seconded by Don Riddle. Motion carried. According to the State, unless we have our tickets to the county courts we do not have to have the radars calibrated, but we have had them calibrated anyway to be safe.

STREETS & EASEMENTS: Bob Phillips, liaison, that when the money is available we will be doing patching. O'Mara cannot leave the stripping machine in one spot, but we hope to do it soon. The committee needs members.

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Earl Lamb asked about the trees needing trimmed that are hanging over other properties. It is the property owners responsibility to trim their trees. Dave said we did purchase a 16' power pull saw, but it is not something we are going to do everyday, but if it is a hazard it will be done.

Ed Wright complained about the large trucks causing damage to our streets. Best Way is not the only one because there are several large trucks. Dave said he is not interested in any more law suits over weight trucks because of all the streets he and Steve have checked, the damage could be caused by water under the roads or pour foundations. The clean-up committee was donated two dumpsters because of damage to our roads by Best Way and the employee that did the damage was suspended. 15 Ton is the weight limit. Weight trucks should leave tickets at the guard shack.

OLD BUSINESS: NONE

NEW BUSINESS: NONE

Don Worthington made the motion to adjourn, seconded by Don Riddle. Meeting adjourned.

Wm Jones, president

Date

Virginia Miller, secretary