

KE ENTIAT ESTATES LODGE ASSOCI. ON
Newsletter and Minutes, May 25, 1980

The meeting was brought to order by President Jim Pittman at 1:00 pm, May 25, 1980. Board Members present were Pres., Jim Pittman; Vice Pres., Neil Doherty; Treas., Virla Hofferber; Secy., Eunice Rupp; and Sgt at Arms, Bob Rupp. The Secretary's and Treasurer's reports were read and approved.

The Board thanked the Kermit Rogers' and Leo Nehens' for taking care of the community property in the absence of a regular caretaker. To show our appreciation we will present each of them with gift certificates of \$50.00 for dinner at the Sand and Surf Restaurant in Chelan.

Jim Pittman introduced the caretakers, the first to be appointed by the Association, Ted and Gladys Trinkle. WELCOME ABOARD.

Before getting into the regular minutes of the meeting I want to cover the two most significant actions which took place at this meeting.

The first and most important was when President Jim Pittman announced to the Association members that a final agreement had been signed between the Lake Entiat Lodge Association and American Campground, Inc., for the Association to take over sole ownership of Lake Entiat Estates from ACI. This announcement was met with a loud round of applause and what seemed like a big sigh of relief.

The second significant action was a proposal to raise the annual dues to \$75.00 per lot per year. The proposal was voted on and approved by a vote of 38 for and 5 against. A legal opinion was obtained from our attorney to insure that the members in attendance had the authority to decide this issue. The annual dues will be effective January 1, 1981.

Old Business: Since 1972 it has been proposed that we take over the property from American Campgrounds, Inc., but problems with the water system, boat coves, tennis courts, beach rights, swimming pool and other miscellaneous items have delayed the action.

Beach Rights--ACI previously would not grant access to the beach property which they own down-stream from the Association's property, and which borders the Association's property. ACI has agreed to provide access to the beaches down-stream for as long as they own the property.

Tennis Courts--The tennis courts will remain as they are now and the Association will be responsible for upgrading them. The tennis courts never came up as an issue for ACI to address until 1978. At that time ACI agreed to spend up to \$4,000.00 to repair them if the Association would sign a final agreement at that time. The Association refused to sign the agreement at that time because of unresolved problems. Of the \$4,000.00 ACI agreed to spend to repair the courts, \$1,910.00 of it belonged to the Association and was being held in trust by ACI. Therefore, the offer by ACI was not that beneficial to us. Since the failure of that proposed take-over, ACI has never again agreed to a proposal to repair the tennis courts. The tennis courts do need a good repair job and the Association will have to assume that responsibility. Roots from the poplar trees will have to either be dug out or killed before the courts can be resurfaced and levelled.

Boat Coves--The boat cove where the boat ramp is located has been a continuing problem and has been dredged several times; however, it needs something much more extensive done to keep the sand from drifting into the channel between the pond and

the river. At this time the Corps of Engineers and EPA will not permit any additional extensive work in the river. We are looking into several ways of resolving this problem. ACI, however, will no longer be required to dredge the cove under the terms of our agreement.

Swimming Pool--The swimming pool is open and in good repair. The pool will not be refinished by ACI. All swimming pool equipment will be repaired or replaced as a condition of the take-over.

Garbage Bill--ACI has refused to pay the garbage bill since 1978 so the Association has been picking up that cost since that time.

Equipment--ACI has furnished the Association with an upgraded tractor mower which appears to be in excellent condition. A discussion was held on purchasing gasoline for the equipment and it was initially felt we would be better off purchasing the gas in 50 gallon drums. However, since that time it has been determined that the 300 gallon tank and pump located on the community property are in working condition and we will use it.

Caretaker--ACI refused to hire a new caretaker so the Board agreed that the Association would take over the responsibility of appointing and paying the caretaker in order to keep the facilities maintained and operating. The Association hired their first caretakers effective May 12, 1980. They are Ted and Gladys Trinkle.

Power--The Association has taken over payment of the power bill for the community property since 1979, so ACI is no longer providing any support to the Association in that area.

Roads--The John's Co., has settled their suit with ACI and the main road will be oiled and chipped from the highway to the corner of the tennis courts. Hopefully, this will be accomplished before July, but will definitely be completed prior to October 31, 1980, which is the date the County has agreed to take over the roads from ACI. It is our understanding that the County will take over and maintain all roads except those marked private in the First Addition and Lake Front Drive. The question was raised on how we could get the County to take over those roads designated as private. The notes show that Mark Lundquist agreed to do some research into that question.

Leo Nehen remarked that we should find a way to keep the general public out. It seems that some farm workers in the area have used the pool without permission.

Water System--The Association does not have entitlement to the second well which ACI installed on their property down-stream from the Association and which ACI had initially planned to hook into the present system. It was ACI's original plan to have co-ownership with the Association and use the water system to provide water to their proposed campground down-stream, as well as to Lake Entiat Estates. ACI has been unable to get a permit to build the campground and therefore has pulled out of the water system entirely and turned the water system over to the Association, excluding the second well. The Association does own the first well and pump house that contains a main pump and backup pump which is used to operate the irrigation system. There are still a few minor problems that exist with the water system but ACI will be responsible for correcting them under the terms of the agreement. When we take over, the Association should have an excellent and fully operational water system with only day-to-day maintenance required. The John's Co. suit against ACI on the water system was dropped last July, 1979, after the water system was both certified and approved by the State.

There was some general discussion on the courtesy of guests and friends. It was pointed out that members are responsible for the conduct of their guests and friends and everyone was advised to read and observe the Rules and Regulations.

New Business: It was pointed out there is still no power to the First Addition. ACI is responsible for bringing power into the First Addition and has indicated that they they have filed a \$40,000.00 bond to do this. Lot owners in the First Addition are requested and encouraged to write to ACI asking that the power be provided. For your protection, the final agreement also required that the power be provided to the First Addition by ACI at the lot owner's request. Their address is: American Campgrounds, Inc., 13010 Northrup Way, Bellevue, WA. 98009.

Rules and Regulations were again discussed. It was pointed out that when the County takes over the roads that all motor bikes must be street legal with legal drivers. It was again pointed out that members are responsible for their guests and that rules are to be enforced by the Sgt. at Arms and the Caretaker. A question was asked as to what we could do about dogs that run loose. The Association itself does have a dog leash regulation; however, the County does not have any such law. The best answer that we can give is to talk to the owners and if that doesn't do any good, then bring it to the attention of the Sgt. at Arms and/or the Caretaker.

The most significant event of the day was when the President read a prepared statement informing the members that a final agreement had been signed by the Board of Directors to take over sole ownership of the Association from ACI. The Board used the authority voted to them by the members in 1978 to consummate the final agreement once the water system was brought up to standard and when it was felt that we had obtained the best settlement from ACI that we could get. ACI will have 60 days from May 23, 1980, the date the agreement was signed, to make all corrections specified in the agreement. All taxes and other outstanding debts that may be owed by ACI on Lake Entiat Estates will be brought up to date and paid by ACI. Titles will be secured.

Updating the various committees was the next topic of discussion. It was pointed out that for committees to be successful, all members of a single committee should live in the same geographical area to make meeting convenient. Committees that were staffed during the meeting were: Building Committee - comprised of Jim Olson and Mark Lundquist and one other person to be named; Budget Committee - comprised of Virla Hofferber, Mark Lundquist and Jim Olson; and Maintenance Committee - comprised of Leo Nehen, Kermit Rogers and Don Kulp, with participation by the Caretaker. Jim Olson also volunteered to send a letter to the Board suggesting names for other committees. If any members are interested in working on a committee, please notify me (Secretary). The committees that we need to staff are as follows: Roads, Publicity, Special Assessment, Water, Pool and Clubhouse Maintenance, Safety and Rules, and Covenants.

It was determined that the President will be first in the line of authority to provide instruction and direction to the committees and the caretaker. To avoid harrassment of the caretaker by receiving criticisms and orders from too many members, it was stated that the Board will send a letter of admonishment to any member who causes trouble with the caretaker rather than working through proper channels. This means that any criticism or problems are to be submitted to the President by telephone or letter. The President and Board will do their best to keep members notified of any changes that take place or to inform them about what was done to resolve a particular situation.

Authority was given to the Maintenance Committee to spend up to \$100.00 without approval of the Board.

A discussion was held on raising the annual dues. Vice President Neil Doherty discussed several charts showing what our estimated costs will be for operating the community property and what the annual dues would have to be raised to, to meet all expenses. It was shown that \$75.00 per lot per year for dues would be about the minimum we could operate on. A brief discussion was held as to what the money would have to be used for, such as maintenance and upkeep of facilities, salaries, utility bills, new equipment, etc. There are approximately 350 lot owners of whom about 300 are paying their dues. Liens have been filed on lots where dues are not being paid.

ANNUAL EXPENSES

Caretaker	\$ 7,800.00	
Garbage	985.00	
Power*	4,300.00	
Insurance	2,000.00	
Income Taxes	1,000.00	
Property Taxes	3,000.00	
Asst. Expenses	2,000.00	(Chlorine, gasoline, fertilizer, etc.)
Misc. Repairs	500.00	
Treasurer	800.00	
Total	<u>\$22,385.00</u>	

*Based on 1977-78 expenses of ACI

Income vs. Cost

<u>Dues</u>	<u>Income</u>	<u>Cost</u>	<u>Difference</u>	
\$ 50.00 a year	\$17,500*	\$22,385	\$ 5,335.00	
75.00 a year	26,250*	22,385	3,415.00	
90.00 a year	31,500*	22,385	8,665.00	
100.00 a year	35,000*	22,385	12,165.00	*Based on 350 Paying Lot Owners

A proposal was made and seconded to raise the annual dues to \$75.00 per lot per year. This was voted on by the members in attendance and approved by a vote of 38 for and 5 against. The proposal was approved subject to a legal decision from our attorney that the Association's By-laws permit the raising of dues by a vote of the members in attendance.

It was noted that only one membership card will be given a member but extra ones can be purchased for \$.50 each.

The meeting was adjourned at 3:40 pm and a potluck was enjoyed by all, one-half hour later. Thanks go to Virla Hofferber who managed the kitchen detail so efficiently.

Notes for Newsletter

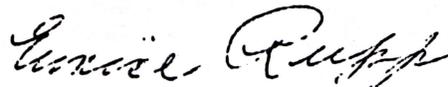
A letter has been sent to the John's Co. by Drew Nielsen requesting that they donate the furniture in the club house to the Association. This effort was made because of the Association's approval of some John's Co. requests which could be beneficial to them in selling lots. A copy of the reply from the John's Co. donating the furniture that is now in the clubhouse, to the Association, is enclosed. We wish to thank them for this generous act.

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We would like to encourage all of those members who are delinquent in paying their dues to bring them up to date. The Association as sole owner of Lake Entiat Estates needs this money to protect your investments by making the necessary improvements and by upgrading the facilities and equipment we now own. The worth of your investment is now dependent on YOU and what you are willing to contribute.

We invite all members to visit Sun Cove this summer and bask in our sunshine, enjoy the swimming pool, take advantage of the river for boating and water skiing and just enjoy the overall facilities.

Sincerely,



Eunice Rupp, Secretary

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LAKE ENTIAT LODGE ASSO CATED
FINANCIAL STATEMENT
MAY 21, 1980

The following is the financial statement of Lake Entiat Lodge Associated as of May 21, 1980.

Balance as of October 10, 1979:

Savings Account:-----	\$61,024.44	
Checking Account:-----	777.94	
TOTAL:		\$61,802.38

Money transferred from Savings to Checking for investment	(\$55,000.00)
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Deposits to savings and checking accounts as of May 21, 1980 are as follows:

Savings Account: -----	\$ 5,646.93	
Checking Account: -----	\$61,428.30	
Interest Earned: -----	\$ 1,303.21	
TOTAL:		\$68,378.44
Aggregate Total: -----		\$75,180.82

Expenses paid out during this period:

Merrill Lynch (investment)-----	\$55,000.00	
Miscellaneous -----	93.10	
Classified Ad -----	65.37	
Repairs for Cabin -----	17.01	
Paint for Club House -----	28.29	
Clorox for Water System -----	17.76	
Postage -----	309.30	
Newsletter -----	48.33	
Legal, C.P.A., Bookkeeping -----	408.00	
Utilities:		
Power -----	662.00	
Garbage -----	609.33	
Meeting Expense -----	17.77	
Taxes -----	641.50	
Office Supply -----	88.26	
TOTAL:		<u>(\$58,006.02)</u>

Total on deposit as of May 21, 1980 -----	\$17,174.80
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Balance in each account at this date:

Savings Account: -----	\$12,974.58	
Checking Account:-----	4,200.22	
TOTAL:		\$17,174.80

Investment with Merrill Lynch:

\$54,396.00 Short Term Certificate - Now worth \$55,864.11
 \$604.00 Ready Asset Fund - now worth \$737.63
 Earnings on that money to date is approx. \$1,601.74

The amount of delinquent dues owing as of this date is \$21,125.45; of this amount \$12,860.00 is on properties on which liens have been placed and \$8,265.45 is regular dues still owing.

Respectfully submitted: Viria M. Hofferber
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