

LAKE ENTIAT LODGE ASSOCIATED

Meeting of Members

September 4, 1988

WELCOME & INTRODUCTIONS

The Meeting of Members of Lake Entiat Lodge Associated was called to order at 10:10 am by the Association's President, Mr. Neil Doherty. Mr. Doherty introduced the Board Members and Officers of the Association:

Neil Doherty	- President - Director
Jack Divine	- Vice President - Director
Walt Wheeler	- Past President - Director
Herb Gilbo	- Director
Dan Russell	- Director
Jim Pittman	- Director
Mike Garrett	- Director
Jay Cooley	- Treasurer
Jean Holmes	- Secretary

VOTING GUIDELINES

Mr. Doherty explained the procedure to be followed regarding voting. When registering, each member was given a pink card for each lot owned. During the meeting, only those members raising a card could raise an issue or make a point. When voting, the cards would be counted rather than hands. This would prove to be an improved method of controlling the voting.

APPROVAL OF MINUTES

After a motion duly made and seconded, the reading of the May 29, 1988 minutes of the Meeting of Members were dispensed with and accepted as previously distributed to the members.

FINANCIAL REPORT

Mr. Doherty asked Mr. Cooley to present the Financial Report to the members. Mr. Cooley stated that, since the May meeting, four two lot combinations in Block 1 have been sold, adding an additional \$800 annually to the due structure. There are 366 members, 97 of which are delinquent. Of the 97 delinquent, 71 are for more than one year. The total delinquent amount is \$123,000. Total collections in 1988 are \$78,600 as compared with \$53,800 for the same period in 1987 and we expect the 1988 total to be \$84,000. Collection efforts this year have resulted in 16 delinquent accounts being paid for a total of \$18,800. The Balance Sheet and Income Statement were reviewed and will be mailed with the minutes to the members.

TIERED FEE STRUCTURE

At the May 29th meeting, the Board presented a tiered fee structure which the members, at that meeting, asked to have more thought and consideration given. Since the May 29th meeting, the Board has only received one letter on the subject and again presented the tiered fee structure.

Mr. Doherty led the discussion showing the members the reasons which led to this approach. Mr. Doherty added that the fees must be increased in some manner to provide adequate funds to maintain the Community Property. Mr. Doherty presented the following:

Review of Financial statements

Summary

	<u>Actual</u> <u>@ 7/31/88</u>	<u>Budget</u> <u>@ 7/31/88</u>	<u>Estimate</u> <u>12 month 1988</u>	<u>Budget</u> <u>12 month 1988</u>
Income	79,274	64,265	83,610	69,600
Expenses	<u>55,947</u>	<u>56,665</u>	<u>79,000</u>	<u>76,711</u>
Surplus	23,327	7,600	4,610	(7,111)

Cash Flow Projections

Cash & Securities On Hand	54,594
Expected Expenses 9/1 - 12/31/88	(24,000)
Expected Receipts 9/1 - 12/31/88	<u>5,000</u>
Ending Cash 12/31/88	<u>35,594</u>
Marketable Securities	18,521
Cash & Savings	17,073

Est. 1989 Operating Position

Operating Income	70,000	1988 expenses
Operating Expenditures	<u>80,547</u>	+ 5% increase
Expected Loss	<u>(10,547)</u>	

Mr. Doherty continued by stating that the following items need to be repaired or funded, some of which need to be accomplished in 1989:

1. Replace the clubhouse roof \$7,000 - 10,000
2. Septic system for lower bathrooms \$1,000 - 3,000
3. Replace lower bathroom wall \$1,000 - 2,000
4. Repair clubhouse railing \$300
5. Paint clubhouse exterior \$1,000
6. Replace lawn mower \$10,000
7. Dredging of boat launch & cove
8. Up-grade class of water system
9. Add boat docks
10. Water system storage tank improvement

With these items considered, the members agreed with the need to raise the fees. Mr. Doherty and Mr. Divine presented the following tiered fee structure:

	<u>@ May Meeting</u>		<u>This Proposal</u>	
Class I Lots (Unimproved Lot)	228 Lots	@200/45,600	250 Lots	@225/56,250
Class II Lots (Improved Without Structure)	20 Lots	@250/ 5,000	25 Lots	@250/ 6,250
Class III Lots (With Structures)	72 Lots	@300/21,600	75 Lots	@300/22,500
		<u>72,200</u>		<u>85,000</u>
Expected Operating Expense		<u>80,547</u>		<u>80,547</u>
Loss		(8,347)		---
Surplus		<u>---</u>		<u>4,453</u>

After a lengthy discussion, the following motion duly made and seconded was approved with 35 votes in favor and 24 votes opposed:

Resolved That: The tiered dues structure be rejected.

The President then took the following proposals from the floor:

1. Develop a committee and study the problem for a year.
2. Increase the fees to \$250 for everyone and charge a \$50 use fee to those with water hookups.
3. \$50 increase to everyone.
4. Charge only a \$100 use fee to those who have water hookups.
5. \$25 increase across the board.
6. \$50 per year increase to everyone for the next three years.
7. Charter memberships pay \$5,000 for life.

In order to prioritize the proposals, the members voted for their preference on the above (7) seven proposals.

Proposal 1	0 votes
2	1 vote
3	33 votes
4	1 vote
5	1 vote
6	25 votes
7	2 votes

The following motion duly made and seconded was then voted on by the members:

Resolved That: The annual fees per lot be increased by \$50 per year. The current fee of \$200 would increase to \$250 and continue at that rate until changed by the members. The increase is to be effective on January 1, 1989.

The motion was adopted with 36 votes in favor and 28 votes opposed.

OTHER BUSINESS

Mr. Doherty reported on the following items. The marketable securities were being converted to more secure investments. Delinquent owners are going to be reported to the Credit Bureau. The Management Contract with Schuchart Services includes a 60 day termination clause. Addresses and phone numbers for Directors will be posted on the Bulletin Board and mailed with the minutes.

ELECTION OF DIRECTORS & OFFICERS

Mr. Doherty stated that the next order of business was the election of Directors and Officers. Mr. Ross's name was removed from the position of Vice President and added to Member at Large. The following were placed in nomination:

Vice President	-	Bill Vance
Member at Large	-	Ron Dubravetz
	-	Vern Adams
	-	Jim Marriott
	-	Otto Ross
	-	Marty Olsen
Treasurer	-	Jay Cooley
Secretary	-	Jean Holmes

Mr. Doherty instructed the members to vote for two Members at Large and one vote for each of the Vice President, Treasurer and Secretary positions. The ballots were counted and the following results announced:

Vice President	-	Bill Vance
Member at Large	-	Otto Ross
	-	Jim Marriott
Treasurer	-	Jay Cooley
Secretary	-	Jean Holmes

ADJOURNMENT

There being no further business to come before the members, the meeting was adjourned at 12:35 pm.

Correct

Neil Doherty
President


Alex Osenbach
Acting Secretary