

TRUSTEE MEETING AGENDA – MAY 2, 2005

- 1. Financial Update**
- 2. Amended Indenture Updates**
- 3. Clarification of Issues Raised at Previous Meeting**
- 4. Erosion History & Update**
- 5. CLWII Documents History**
- 6. Cedar Terrance Homes Committee Report**
- 7. Miscellaneous/Homeowner Comments**

(Please limit comments to three minutes so that everyone may be heard)

The following are handouts from the meeting:

Financial Management

- ? Each year since 2001 the trustees have:
- ? Developed a budget
- ? Communicated the prior years budget, actual and proposed current year budget to all residents in writing
- ? Held a budget meeting to review the prior year figures and answer any questions related to the expenditures in the proposed budget for the current year
- ? Placed Subdivision monies in FDIC accounts as required by the indentures in Section III 3)
- ? Put a process in place such that:
 - All checks require two trustee signatures
 - The treasurer may not sign checks
 - The treasurer is responsible for writing checks
- ? Had an accounting firm (Lloyd & Co.) review all financial transactions for the prior year and prepare the subdivision Income Tax Forms

BUDGET PROCESS OLD vs. NEW

- ? The Original Indentures had NO provision for lot owners approval of Trustee Budgets or Expenditures
- ? Amended indentures Under Section III 1)
 - Notice of a budget meeting must be sent to lot owners of record via newsletter or special mailing
 - The assessment may only be increased based upon the approval of a budget
 - The increase must be approved by a simple majority of lot owners of record in attendance at the meeting
 - The assessment may only be increased by a maximum of \$25.00 per year

Special Assessment As Described in Section III 1. c) For Expenditures Over and Above Those Outlined in Section III 1. a)

- ? An outline of the plan or project must be submitted to the lot owners of record for approval and the estimated amount required
- ? The Special Assessment must be approved at a duly called meeting of lot owners of record by:
 - 2/3 of those present in person or
 - 1/2 on a written election or ballot
- ? No Special Assessment may exceed \$200.00 in any one year.
- ? NO SPECIAL ASSESSMENT HAS EVER BEEN MADE

CLWII HISTORY

- ? 06/14/1973 Bill 161 is Adopted by St Louis County Council
 - This describes the PEU - Planned Environmental Unit rules to be followed by Kemp in developing the Single and Multi-family dwellings that made up CLWII

- ? 06/24/1974 Original CLWII Single Family Indentures recorded with St. Louis County

- ? 09/16/1985 CLWII - Kemp Agreement signed and notarized
 - Divorce of Apartments and CLWII single family homes as originally described in Bill 161 - PEU
 - Kemp - CLWII Erosion Funding agreement

- ? 01/21/1986 174 Positive approvals of Amended Indentures notarized and recorded with St Louis County
 - No record can be found of those who did not approve the amendment

- ? 02/12/1986 Amended Indentures recorded with St Louis County

- ? 12/04/1986 Bill 531 is adopted by St Louis County Council
 - Makes CLWII recreation facilities for the exclusive use of CLWII single family residents
 - Changes total number of single family houses allowed to 497

- ? 04/1990 A proposed amendment to the indentures was drafted
 - Attempted to set standards for exterior appearance of homes in Plats 4, 5, 6, and 7 (Cedar Terrace Homes)
 - No records can be found regarding the results

1985 Kemp - Trustee Agreement

On Sept 16th 1985 an agreement authored by Kemp's attorney was signed between the then current trustees, (Richard Duff, William Bens, Greg Ball, Al Koke) and Fred Kemp

Details of the Erosion portion of the agreement

- On Page 3 Item 4} Kemp agreed that each living unit encumbered by the Apartment shall be assessed at 1/3 of such a CLWII Special Assessment that is collected against each single family residence with the following restrictions
 - The maximum assessment per Apartment Living unit may be no more than \$25 in any one calendar year
 - The collection of the CLWII money must be through a special assessment and maintained in a segregated account
 - Kemp would pay CLWII \$1 for each \$3 ACTUALLY expended by CLWII The net financial implication of this is as follows
- Kemp's maximum liability based upon the above would be
 - $521 (\text{\# of Apartments}) \times \$25 = \$13025$ HOWEVER!
- CLWII trustees must get a Special Assessment voted on and approved by 50+% of the lot owners or 2/3 of those attending a meeting on the Special Assessment
- The Indentures at that time have a maximum allowable Special Assessment of \$50 Page 6 Section 2 Paragraph B of the original indentures
- $\$50 \times 497 \text{ lot owners} = \$24,850$
- Therefore Kemp's portion would be $1/3$ of $\$24,850 = \8283.25

In 1998 and 1999 the Trustees then in office tried to collect money from Kemp with no results. See the attached memo's.

Kemp's liability prior to this agreement would have been

- $521 (\text{\# of Apartments}) \times \$50 = \$26,050$