

GLADES OWNERS ASSOCIATION EMERGENCY MEETING JUNE 11, 2007  
In attendance: Cavaleri, B. Friess, Clements, Lloyd, Cox, Easter. Four owners.

Meeting called to order by Cavaleri at 7PM. Purpose of this meeting is to discuss and ratify a settlement of the Lee, Seefluth, Ball lawsuit agreed upon by the previous board. No records could be found for this ratification in the board records.

R. Williams explains the settlement has not been ratified by the previous board because the agreement had not been put in writing by the attorneys. A letter dated Jan. 10<sup>th</sup> concerning this matter was received by the previous board.

The agreed upon figure is approximately \$3000, less than our records indicate. This figure was arrived at because the representative for this group, J. Lee, was adverse to paying any legal fees incurred by the association. At a workshop of the previous board it was decided that this agreement was not satisfactory and a law suit should be the course of action. This decision was made because the dealings with this group had not been satisfactory and there was a concern that if we settle for less than our fair amount it might set a precedence for future situations. However, our insurance agency, Kemper, will reimburse us in the amount of \$3000, for our costs. With this situation the association would come out even. The figured shown in the letter is \$2942.50. The interest charges for the amount in arrears is figured at \$1372.80. The amount of the checks from the parties involved differ from the amount stated in the letter from the attorneys by \$320. This difference is the cost for filing the liens involved. The parties feel this amount represents legal fees and thus this amount was deducted from their amount owed and not paid.

Our records, including annual dues, interest, and lien costs, show approximately \$3900 due. The payment from the insurance company will cover either our legal fees or the interest involved. Our attorney has been billing Kemper for his fees directly. Since this is the case the association will be writing off the amount of the interest. Some of our legal fees have been paid by us and will never be recovered. Interest for these amounts in arrears has been excluded because we were advised that our procedures were not legal at that time. We were using a compound interest procedure and should have been using a simple interest procedure. Because it was felt the representative for these parties would make an issue of this even if the amount of interest is recalculated, it was decided to drop the amount of the interest. Seefluth is in the process of selling her home and cannot complete the process with a lien on the property. She has threatened a lawsuit if the sale cannot be completed.

Since this meeting was called as an emergency meeting and not a workshop we can legally take an official vote. We will consult with our attorney to be doubly sure this is permissible. Since the previous board and this board have negotiated and agreed to settle in good faith and it would be in the best interests of the community to settle this matter soon. Williams reiterates these feelings. Several members feel this settlement is unfair to our association and this has not been handled properly by our attorney. Motion was made to accept the terms of the settlement which include the amounts of the checks written and a promise to adhere to the rules and covenants of the association by Friess. 2<sup>nd</sup> by Clements. Motion denied by 3 to 3 vote. It is felt that the parties involved should pay the lien fees involved. Williams feels the rejection of this motion is not in the best interest of our community. Cox feels that these parties should take responsibility for their own actions. Cavaleri feels there is a real possibility that another lawsuit could be forthcoming from Seefluth and an important consideration is that these parties have agreed to abide by the covenants of our association. Motion made by Lloyd to accept the settlement if the cost of the lien is paid by the parties involved or written off by our attorney. 2<sup>nd</sup> by Friess.

Motion carried 5-1. Meeting adjourned at 8:15PM.