

4046 Drummond St

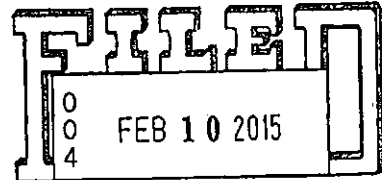
Houston, TX 77025

February 9, 2015

Judge Michael Reed

121 N. Lake Street

Warsaw, IN 46580



Anna Joray
CLERK KOSCIUSKO CIRCUIT COURT

RE: Addendum to letter of 01/21/15

Dear Judge Reed;

Enclosed are 3 exhibits, Addendum A, B, and C, that clearly illustrate the specific need for a mediator for the Epworth Forest Administration Committee. All exhibits deal with communication from Off Shore Directors to Onshore Directors.

This letter will also be sent by certified mail.

Respectfully,

A handwritten signature in cursive script that reads "Sharon Anson".

Sharon Anson

Offshore Director

Kara Lusby

Offshore Director

Subject: Fw: Proposed 2015 Budget
From: Sharon Anson (sharonanson@yahoo.com)
To: sharonanson@yahoo.com;
Date: Sunday, February 8, 2015 1:57 PM

----- Forwarded Message -----

From: Sue Montivoni <smonty@embarqmail.com>
To: Presser Richard <jrpresser@comcast.net>; Anson Sharon <sharonanson@yahoo.com>; Lusby Kara <k_lusby@yahoo.com>
Sent: Thursday, January 29, 2015 9:56 AM
Subject: Proposed 2015 Budget

This proposed budget has driven me crazy because of 2 things. 1). number of piers is inaccurate and 2). should the on shore piers be the same price as the off-shore (I feel we easily make up the difference in taxes, maintenance, etc. and if the off-shore want to challenge this, we could probably get records with the result we would pay even less!) So, I came up with the following proposal for consideration by the Board.

1. Link Accounting—\$150.00 (est.) (should take \$75.00 from Shoreline and \$75.00 from Community Piers)
2. Liability Ins. for Directors—\$800.00(est.). (should cost Shoreline \$700.00 and Community Pier \$100.00)
3. 5th Neutral Person—\$2400(est.).(\$200.00 an hour x 12 hours). (Community Pier has 24 slots@ \$12 per person=\$288 from total group) and \$2112 from Shoreline.
4. Attorney—\$250 per hour, 5 hours = \$1200 (2 hours from Community Pier and 3 hours from Shoreline). Since the loser of any suit has to pay attorney fees and court costs, I kept these numbers low (could probably go lower).
5. Community Pier—\$722 pier installation and \$722 pier removal (these figures may increase this year. I argued we should not be considered a new account, thus keep the present rate).
6. Maintenance Fee Community Pier—\$2500

Community Pier total cost \$75.00 (Link Accounting) (total cost-\$5963 or \$213 per person)

\$100.00(Liability Ins.)
 \$288 (Neutral Person)
 \$500 (Attorney)
 \$2500 (Pier installation and removal)
 \$2500 (maintenance fee)

Shoreline \$75.00 (Link Accounting) (total cost-\$3637 or \$(total
 \$700.00 (Liability Ins.)
 \$2112 (Neutral Person)
 \$750 (Attorney)

(total cost=\$3637—33% on-shore=\$1200 (\$12 per person rounded off)
 66% off-shore=\$2400 (\$27 per person Rounded off)

Carryover Balance from year 2014—Community Pier—beginning balance\$8420.04
Pier—beginning balance—\$1503.04

Shoreline

expenses—\$2915.13

total income-----\$2759.04

balance----\$5504.91

expenses---\$179.63

ending balance—\$2579.41

Let me know your thoughts. Thanks!



Sharon Anson <4046sgsanson@gmail.com>

Proposed Budget

Sharon Anson <4046sgsanson@gmail.com>

Mon, Feb 2, 2015 at 8:40 AM

To: Sue Montivoni <smonty@embarqmail.com>, Richard Presser <jrpresser@comcast.net>, Kara Lusby <k_lusby@yahoo.com>

Bcc: Sharon Anson <sharonanson@yahoo.com>

Suzy - Thank you for getting a budget out there with all of the categories that will ultimately drive what fees we need to charge. We appreciate your hard work and have expanded on it.

As we have some items that are muddled - liability insurance policies, timeline for sending out fees, deadlines, and penalties for late payment, we hope this conversation can continue.

How would you guys like to proceed? Do you prefer doing this by emails or conference calls? Just let us know and we will move along on this discussion.

Thanks,
Sharon and Kara

 EFAC BudgetProposal2015.doc
56K

Proposed 2015 EFAC Budget (Fee Schedule)

Common Pier Fees

Common Fees	
Director Liability Insurance	\$850.00
Easement Insurance (50% of policy cost)	\$522.50
5 th Director Fee	\$4800.00
Legal defense Fund Fee	\$8100.00
Link Accounting Fee	\$150.00
Collection Fee	\$1000.00
Total Common Fees	\$15,422.50

Pier Spaces on Community Pier	24
Offshore Pier Owners	63
Onshore Pier Owners	93
Total	180 pier assignments
Common Fees (\$15422.50 /180)	\$85.66 per owner

Community Pier Fees

Community Pier Fees	
Installation/Remove	\$2500.00
Pier Maintenance	\$1000.00
Comm Pier Insurance (50% of policy cost)	\$522.50
Total	\$4,022.05

Pier Spaces on Community Pier	24
Community Pier Fees (\$4,022.50/24)	\$167.60
Common Fees (\$15422.50 /180)	\$85.66
Total Per Community Pier Spot Owner	\$253.26

Total Funds to be collected by EFAC (2015)

Type	Number	Fee	Total
Community Pier	24	\$253.66	\$6,078.24
Off Shore	63	\$85.66	\$5,396.58
On Shore	93	\$85.66	\$7,966.38
Total	180		\$19,441.20

Assumptions and Discussion Points for this Proposal

There are several aspects of this document that I believe we should discuss. These include assumptions around the number of owners and piers, the type of expenses, and the cost of the expenses. Using 6.17.13 Shoreline document (from trial) and Community assignments from EFAC website we have a pretty accurate count of the number of piers.

Assumptions

Number of Owners

- a. Community pier spaces = 24 (includes vacancies)
- b. Offshore piers = 63
This number includes all assigned piers.
- c. On shore owners = 93 includes all owners but does not include all piers.
- d. There are onshore owners with multiple piers Some have multiple properties and some do not. NOTE: I used the 6.17.13 document to determine this number. We really need to verify that this list is correct and to determine the correct number of piers in Epworth Forest. Additionally we need to have a conversation on how to address this situation.

Presser R	2
Presser J.R.	3
Mishler Family Trust	2
McLaughlin	2
Schlagenhauf	2

Horcher	2
Nelson	3
Kado	4
Doles	2
Perrich	2
Shin	2
Brown	2
Wilson	2

Note: We need to walk Eagle Point to determine correct number of piers including channel piers.

Type of Expenses

Common fees for all owners include:

- Director Liability Insurance
- 5th Director fee
- Legal fees
- Link Accounting fee
- Collection fee

Community Pier owners will pay additional for:

- Installation/ removal fee
- Maintenance
- Community pier Liability Insurance
- Common fee

Cost of the Expenses

- Neutral Director may need increased frequency of meetings in first year so number was doubled to 24 hours.
- The easement/Community pier liability insurance quote of \$1045 was bundled, so we don't know how much is for easement vs Community Pier. Preliminary assumption is 50-50 for budgeting purposes.
- We need to build up a notable legal defense fund that will serve as a major deterrent to people initiating legal action against EFAC in the first place. So instead of just collecting/adding fees we should set a goal of establishing a legal defense reserve fund of \$25,000 over 3 years. This would amount to about \$45/member for the legal defense fund. We should NOT assume that: 1) EFAC will always win, 2) Defense fees will be awarded to the PAC in all instances, 3) EFAC initiated actions will go as hoped each time, and 4) the attorney will wait for payment until the end of a legal action when fee liability is assigned. Additionally we may have to pay retainer fees. Also if there is litigation, it will more likely to occur in the coming years than in subsequent ones.
- Collection fees. As there are threats from onshore owners not to pay fees, we need to set aside funds for collection fees. Minimum of \$1000. Of course these funds will be repaid to us.
- The calculated common fee of \$85.66 would be a nearly 50% reduction as compared to last year's fee of \$166.
- As we implement our new fees, we could consider informing members that there is a goal to drop pier fees even further in 2018, as long as litigation expenses are low.

decisions should be made until we have the fifth person (as I said earlier, no more picking and choosing what you want to act on)!

From: Sharon Anson

Sent: Sunday, January 25, 2015 1:04 PM

To: Richard Presser ; Sue Montivoni ; Kara Lusby

Subject: Directors Meeting

Would it be possible for us to have a meeting on several topics of which I believe we would not need a 5th director for a tie breaking vote?

1. The status of insurance for the community pier. I do not know if we want to put the community pier in the water w/o insurance.

2. The status of liability insurance for the Directors.

Has a response been sent to Mr. Koher? Previous email sent to officers for this

3. Pier fees.

I also noticed we had 1 transfer request sent to us for action.

Thanks,

Sharon

Subject: Fwd: Directors Meeting
From: Sharon Anson (4046sgsanson@gmail.com)
To: sharonanson@yahoo.com;
Date: Tuesday, February 3, 2015 6:01 PM

----- Forwarded message -----

From: JR Presser <jrpresser@experior.com>
Date: Mon, Jan 26, 2015 at 10:56 AM
Subject: RE: Directors Meeting
To: Kara Lusby <k_lusby@yahoo.com>, 4046sgsanson <4046sgsanson@gmail.com>, Suzy Montovani <smonty@embarqmail.com>

Kara and Sharon,

Not sure what director's meeting you were at, but ever issue presented at the annual meeting was voted on by the directors and each vote was 4 votes yes an 0 votes no. Those decisions stand.

After the meeting, due to whatever pressure or threats received by the off-shore representatives from the off-shore residents and their attorney, the off-shore representatives decided no more decisions were to be made without the 5th member. That does not negate all the prior decisions voted on by the board. We all agreed early on that if a majority (3 votes) were obtained, then the vote of the 5th party was not needed.

As it now stands, the off-shore refusal to vote on any issue precludes us from making any decisions. Those decisions certainly include the selection of insurance, decision on fees, decision on billing for fees, and decisions on new and existing community piers. There are 39 on the wait list that cannot get a pier because no decision can be made on installation of a new community pier. The lack of liability insurance precludes the installation of the current community pier, displacing an additional 17 off-shore pier placements. I have no problem letting these 56 residents know of the actions, or lack of actions, being taken by their representatives.

That being the case, there is no reason to meet to discuss any issues. The proposed costs of insurance and the new community pier can be shared with all the directors, but a meeting to discuss the insurance, when nothing can be decided, is a waste of our valuable time. Kara, I believe you have all the quotes on the new community pier. Please share them with all on the board. Whoever has the quotes on the insurance, please also share with the board. I believe that Sue has put together a proposed budget. Sue, please share with the board.

Until a 5th member can be appointed or the off-shore representatives agree to start making decisions on all issues again, there is no reason to meet or discuss any single issue.

Richard

From: Kara Lusby [mailto:k_lusby@yahoo.com]
Sent: Sunday, January 25, 2015 8:34 PM
To: 4046sgsanson; JR Presser; Suzy Montovani
Subject: Re: Directors Meeting

I don't believe Sharon is requesting a decision-making meeting. She just wanted to touch base with the Board. We've known for awhile that decisions aren't happening until we have a 5th member. I would like the four of us to meet to share updates on cost of insurance policies. We will need to consider these expenses as we determine the amount of pier fees for 2015. Speaking of fees, I think we all need to determine a target date that bills must be sent out by. Hopefully we will receive the judge's response to our letters by that date so we can take the pier fee decision to vote. If not, the four of us are going to have to work to agree to the 2015 fee amount in order to have money for insurance and installation of the community pier in April/May 2015.

Suzi, you were correct in saying that we all agreed to topics presented at the annual meeting; however, as you know, none of those items were voted on by the Board. In hindsight, it was good for all of us that we didn't vote. We've all had a lot more time to read the judgement and think about the consequences of our ideas and potential actions. I would have hated to see us move too quickly just to demonstrate "change" that we may have made long-lasting mistakes impacting many on-shore and off-shore residents.

Dick - Do you think it would be beneficial to touch base with all of us?

- Kara

On Jan 25, 2015, at 7:05 PM, "4046sgsanson" <4046sgsanson@gmail.com> wrote:

What are your feelings.

Sent via the LG Nitro™ HD, an AT&T 4G LTE smartphone

----- Original Message -----

From: Sue Montivoni
Date: 1/25/2015 3:54 PM
To: Sharon Anson; Richard Presser; Kara Lusby;
Subject: Re: Directors Meeting

As I remember we met as a Board many times prior to the annual meeting in September. We all had agreed that only the items the four of us agreed to would be presented (no fifth position needed for a tie breaker). In fact, each of us presented a segment. Then a week or so later, you recanted your positions as stated in the public meeting. Let us save wasted time and effort. I feel no more

Subject: Re: Epworth Forest Administration Committee
From: CHRIS KOHER (chr15k@embarqmail.com)
To: sharonanson@yahoo.com;
Date: Monday, December 15, 2014 12:58 PM

Dear Sharon,

The total annual cost for this coverage will be \$770.00. The coverage amount is for the requested \$1,000,000.00 limit, Directors, Officers and Organization Liability Insurance.

I appreciate the opportunity to provide this quote.

Thank you,
Chris Koher, Jr., Agent

----- Original Message -----

From: Sharon Anson <sharonanson@yahoo.com>
To: Chris Koher, Jr. <chr15k@embarqmail.com>
Sent: Monday, December 15, 2014 9:39 AM
Subject: Re: Epworth Forest Administration Committee

Please send me the quote so I can get the ball rolling on this.
Thanks,
Sharon

From: CHRIS KOHER <chr15k@embarqmail.com>
To: Sharon Anson <sharonanson@yahoo.com>
Sent: Friday, December 12, 2014 1:26 PM
Subject: Epworth Forest Administration Committee

Dear Sharon,

Just a note to let you know that I do have a quote prepared and ready to present on your liability exposure for the above captioned committee. As you know, Richard Presser completed and returned my application for this coverage, and I thank him for that. My quote includes Directors, Officers and Organization liability coverages with no Employment Practices nor Fiduciary liability included, as requested on the application.

I can present this quote to either yourself or Mr. Presser at the convenience of either of you upon your request. Should the quote be accepted, I will need confirmation of a few additional terms which did not appear on the original application which I can forward to Mr. Presser for signature on committee letterhead stationery and returned to me.

I appreciate the opportunity to provide this coverage for you.

I will await your reply.

Thank you,
Chris Koher Jr., Agent



This email is free from viruses and malware because Avast! protection is active.

Subject: Fwd: Epworth Forest Administration Committee
From: sharonanson (sharonanson@yahoo.com)
To: jpresser@exporior.com; smonty@embarqmail.com; k_lusby@yahoo.com; sharonanson@yahoo.com;
Date: Monday, January 19, 2015 12:54 PM

What are we doing with this? I thought we were hoping to buy liability insurance.

Do we have any other quotes?

Sent via the LG Nitro™ HD, an AT&T 4G LTE smartphone

----- Original Message -----

From: CHRIS KOHER
Date: 1/19/2015 12:38 PM
To: Sharon Anson;
Subject: Re: Epworth Forest Administration Committee

Dear Sharon,

Just a note regarding the Epworth Forest Committee decision on the liability coverage we previously discussed. The insurance company which quoted this coverage has inquired of me if there is still interest in placing this coverage, and is waiting on my response as to whether or not to close the file at this time. If possible, would you please inform me of the current status of the Committee decision on this quote.

Thank you.

Chris Koher, Jr. Agent

----- Original Message -----

From: Sharon Anson
To: CHRIS KOHER
Sent: Monday, December 15, 2014 2:21 PM
Subject: Re: Epworth Forest Administration Committee

Thanks Chris. Hope to get back to you on this soon.
Sharon

From: CHRIS KOHER <chrisk@exporior.com>
To: Sharon Anson <sharonanson@yahoo.com>
Sent: Monday, December 15, 2014 12:58 PM
Subject: Re: Epworth Forest Administration Committee

Dear Sharon,

The total annual cost for this coverage will be \$770.00. The coverage amount is for the requested \$1,000,000.00 limit, Directors, Officers and Organization Liability Insurance.

I appreciate the opportunity to provide this quote.