

6/21/03

Dear Marv,

As I thought about our earlier phone conversation, it was obvious that the real difference between our respective positions concerning this association business is a reflection of two very different world views that exist in our culture today. Louie and I believe in personal responsibility rather than "it takes a village"; we believe people are motivated by their own informed self interest and therefore, in limited government. We renounce moral relativism and do not believe that the ends justify the means. And we strive to treat our neighbors the way we'd like to be treated which excludes deceptively taking what legitimately belongs to others.

We feel a deep sense of indignation and, contrary to your assertion Louie and I are joined in our beliefs by others in this community. As I told you once before, all we ever wanted was to mind our own business, be on good terms with everyone and enjoy our home. That said there are a few things worth going to the mat over.

I hope this little sermon helps make our position clear.

Cordially,

Vivian

"Political freedom means the absence of coercion of a man by his fellow man."

Milton Friedman

From: [REDACTED]
To: Marvkatz@bellsouth.net
Sent: Wednesday, July 09, 2003 7:22 PM
Subject: Ledges Resident 520 Red Fox Court

Dear Mr. Katz,

Having been on the receiving end of much paperwork from both sides of the issue about the subdivision, I would like to make a couple observations:

Louie and Vivian Armstrong are two of the finest neighbors I have ever had. However this does not make them or their attorneys opinions correct. Nor does it make them incorrect. Frankly, at this point, I do not know enough about the matter to render a personal judgment. I plan to get myself informed right away.

The Armstrong's attorney, Walter Carpenter, is a highly regarded real estate attorney. He is vice-chairman of the Henderson County Planning Board which I chair and my personal and corporate attorney. I find that he is usually very well informed and knowledgeable in the real estate field and I would think that his opinions should be listened to. Maybe a transcriber could record the meeting and a transcript be made available at residents expense if they desire a copy.

Maybe the board should consider inviting both attorneys at the boards expense in to listen to them and let them give their reasons and see if some type of consensus can be reached. Hopefully, this might stave off future lawsuits and pitting neighbors against neighbors. Infighting will only erode property values if this matter gets too much attention.

Obviously as a resident, I want to have enough information to render a decision and ascertain which side I should be joining.

Sincerely,

[REDACTED]

July 11, 2003

Letter to our Neighbors in the Ledges:

The genius of democracy is that it has the ability through debate to achieve consensus. In a democracy all points of view are permitted free expression. These letters are our voice speaking about the issues impacting all of us as property owners in this community.

For clarification, we do not wish to eliminate the Restrictive Covenants nor the Association. The Declaration establishes a minimum standard for the neighborhood which, in reality, has been far surpassed. What we do object to is the creation of a Ledges government. The Association wants power to do the following things: hire and discharge agents and employees, institute litigation, make contracts and incur liabilities, regulate the use of common elements (there are none currently), acquire and encumber property, cause additional improvements to be made, grant easements and leases, impose fees and charges for late payments, impose fines and suspend privileges, adopt rules and regulations, and exercise any other powers necessary for the governance and operation of the association.¹ This cannot be characterized as merely "correcting deficiencies".

Patrick Hetrick serves as a professor of law at Campbell University's Norman Adrian Wiggins School of Law. He is the author of an extensive article on the North Carolina Planned Community Act titled, "Of Private Governments' And The Regulation of Neighborhoods". On page 3 of 52, Professor Hetrick poses these questions. "Is there an obligation to advise prospective purchasers of property in a planned community concerning the effect of the PCA on their private property rights? If so, who has this responsibility?" Good question!

Enclosed is an article reprinted from the North Carolina Bar Association's Newsletter giving examples of actual events that have occurred in planned communities. The editor describes this as a "war pitting neighbor against neighbor." Experts estimate that in California, 75% of the homeowners associations are embroiled in a legal tangle of some kind.² Are we willing to sue each other over malfunctioning mailbox lights or basketball hoops and satellite dishes visible from the street?

On the back of this page is the body of an e-mail message Vivian recently sent to Marv Katz. This is included because we don't know all of you and it speaks to our motives.

Finally, Ed Vogel followed up his recent visit with a gracious thank-you note and an invitation to fellowship. He wouldn't have done either had he been rudely treated.

Lou and Vivian Armstrong

¹ From a seven page letter dated July 19, 2002 to the Association Board from attorney Ted Mitchell.

² "Wall Street Journal Magazine of Personal Business, "10 Things a Homeowners Association Won't Tell You. The full article is available on the internet at www.propertyrightsnsc.com

Subj:
Date: 8/1/2003 6:41:03 PM Eastern Standard Time
From:
To:
Sent from the Internet (Details)

Marvin,

Thanks for sending me the package. Sorry for the extra trouble.

I have spent some time reading it and have also gone over it with my attorney. I think proceeding with the program as directed is convincing some people that the eventual plan is to rid the subdivision of children. The amendments are way to open to interpretation and leave immense discretion and little recourse except through the courts. You also have some serious corporate legal problems and none of them are addressed.

My personal analysis is that proceeding as planned will result in years of litigation. I know that will happen and I am also certain that the proposals will pass. Just not sure if people are ready for the additional expenses that will be incurred. I can see why the lawyer wants it to be approved. They stand to make a lot of money in legal fees. I would also project that the planned community will in the end, result in lowered property values. I am also convinced it will never hold up in court but that is another issue.

I would think that it would be better to slow the process down and try to resolve all of the issues and reach an agreement that everyone will approve. It would save a lot of stress and end the pitting of neighbor against neighbor. I am moving from the Ledges as soon as I can get my new home built. I am sure Helen will be thrilled to hear that. I shouldn't care what happens here but I do and hate to see all hell break loose.

Sincerely,

911 Sunlight Ridge Dr.
Hendersonville, NC 28792
August 3, 2003

Dear Fellow Ledgers,

As we approach "H-Hour," as in neighborHood, I'd like to offer my thoughts on this approaching, man-made crisis. Being fairly new here, I've missed whatever history precipitated the thought in some minds that increased regulation is needed to make our properties more "secure."

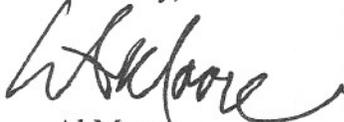
From personal observation over the past ten months, though, Ann and I remain certain that we've discovered our retirement utopia. This entire idea of converting our idealic environment into a sort of WNC Warsaw (WWII model) is puzzling, and more than a bit frightening. We've heard neither compelling argument nor justification for such an ominous blueprint.

While conceding that reason may exist to consider modifying one or more of the neighborhood covenants, one glance at the proposed Article 5.13 "Powers and Duties" list for the Board of Directors is blood-chilling! If my sixty-three years have taught me anything, it's to be extremely wary (suspicious) of government at all levels. One glance at this sheaf of proposed documents reminds me fully... "all politics are local!"

Our country was founded on the principle of self-reliance and support of one's family and neighbors. Decades of increasing government influence and control have driven a large wedge into that heritage. If we allow our considerable investments in time, sweat, love and money to be transformed into a "litigious camp" of backbiting antagonists, we shall suffer the consequences forever.

As fellow humans we have a choice...practice the Golden Rule and reside in harmony, or don the cloak of government oppression and live in fear of "offending" your neighbor. I urge your careful consideration of this life-altering proposition. Benjamin Franklin said, "Those who would surrender essential liberty in order to gain a little security deserve neither liberty nor security." These words form a vital part of my core.

Sincerely,



Al Moore

August 2, 2003

To Our Neighbors in "The Ledges"

By way of introduction, we are Bill & Rae Clore. We live at the end of the cul de sac on Black Walnut Ct. I'm sure we have all greeted each other in passing, Unfortunately, we have not gotten to know very many of you due to the constraints of running a small business. We only get to enjoy our gorgeous views for a short time each day.

On Monday Marv Katz hand delivered to Rae a package of documents that we find disturbing. We have prepared this package for your review in the hope that it will present an objective, alternate point of view. We hope you will indulge us.

We moved into our new home in January of 1996. Our decision to buy was based on several factors, not the least of which were the reasonable, common sense, restrictive covenants that we felt filled the gap left open by a lack of zoning.

Since we moved in, we have watched the neighborhood grow to its present 38 homes - all of which are upscale, unique, well landscaped and meticulously maintained by a very lucky and responsible group of homeowners. In short, it is a neighborhood we can all be proud of.

During the last (8) years many changes have taken place in Henderson county including the implementation of zoning in The Ledges. With the addition of zoning we question the need for any homeowners association. You need only look around to see that we are privileged to live in such a neighborhood. The Ledges is nearly totally developed, and the existing restrictive covenants have been proven to be effective. Why are we trying to fix something that isn't broken?

In April I attended the annual Homeowners association meeting where we discussed the usual "dog walker" issue and voted in a new Board of Directors. In addition we were asked to vote on an issue that, I believe, was to "explore" the possible benefits of making The Ledges a part of the Planned Community Act of NC.

The documents Marv handed us included a voting ballot to join the Planned Community Act, and another ballot to approve wholesale overhaul of the restrictive covenants - ALL of which were "unanimously" approved by the board. No information regarding the results of the "exploration" were presented, and we have no knowledge of any discussions taking place with the membership either formally or informally. Notice of the "informational" meeting of August 6th was also included.

Since these documents were obviously prepared by an attorney, Rae called Marv and asked if the attorney would be present at that meeting to answer any questions. Marv indicated that the board and the attorney felt that would be unnecessary. Rae pushed a little harder and requested that Marv ask the attorney to be there. He agreed, but called 2 days later to advise that the request was denied, and unresolved issues would be answered at the voting meeting of August 12th.

Whether intended or not, we are left with the impression that these sweeping changes are a "done deal" and we as association members are being denied due process. Regardless of the powers bestowed upon the board, the importance of these changes require full disclosure and open discussion with the membership. So far, this has not

August 2, 2003

happened.

We received a short note today from the Armstrongs where they stated that these changes will "materially change your property rights". We believe that to be a true statement - they obviously share our concerns. . We don't believe these changes are necessary in a neighborhood of obviously responsible property owners.

We have reviewed each of the issues contained in the documents, and have attached a summary of our concerns, along with a printout of an article regarding homeowners associations that was (appropriately) published last Sunday in both the Times-News and the New York Times. Additional research shows us that there are more minuses than pluses to overly restrictive rules in Homeowners Associations.

In closing, you've probably become aware that our property is for sale. Contrary to the stories we've heard, this has nothing to do with the construction of the new home behind us in the adjoining subdivision. We have retained our privacy, and the character of that home will only cause the value of our property to appreciate. If we decide not to sell, we retain a vested interest in these proposed changes, and will pursue a "common sense" solution by whatever means necessary.

We welcome any discussion any of you may wish to have. Feel free to call or stop by - either at home or our office on Old Naples Rd.

Respectfully,

Bill & Rae Clore

PS: For personal reasons we will not be able to attend the informational meeting. I hope some of you will let us know what happens.

FIRST AMENDMENT TO THE
RESTRICTIVE COVENANTS
OF THE LEDGES OF HIDDEN HILLS

PAGE 2.

section (1) b) 'as determind in the sole discretion of the Board of Directors' this bestows arbitrary sweeping powers.

PAGE 3.

section (5) Property Lines and Set Back Requirements: We are now in a zoned area, doesn't the county planning board standards come first?

PAGE 3.

section (7) Architectural Standards Committee (a slight departure here). From page 2 of the proposed First Amendment we understand that Ed Vogel - no longer holds developer rights in The Ledges. Not being a Ledges property owner, we question the legitimacy of his standing as a member of this committee unless acting as a paid consultant.

PAGE 4.

section (12) Nuisances. This is too loosely defined. We are essentially giving any three members of the board the power to make us remove our flowers because they don't like the smell. Human nature being what it is, we will be faced with a problem like this sooner or later. Please - read and reread this one carefully!!!

PAGE 5. & 6.

section (30) Time Shares. We are a small landlocked community not an area of ski or beach resorts with the accompanying amenities. Why devote so much regulation to time shares? Is one of the property owners thinking of dividing his property into apartments? This is a reach, but the question needs an answer.

PAGE 7.

section 33)(b) Fining Powers. Page 6. mentions reasonable fines as approved under the North Carolina Planned Comminttees Act (but does not tell us what the guide lines are). Under this heading we are told: "the board shall have the power to impose fines in an amount not to exceed One Hundred Fifty Dollars(\$150.00) per violation can be assessed per day for a continuing violation". This figure is exhorbitant for this community.

PAGE 7.

section (33)(b) The failure of the Board to enforce any provision of the Planned Community Act, Restrictive Covenants, Bylaws, or Rules and Regulations, shall not be deemed a waiver of the right of the board to do so theirafter. We believe this could be interpreted to mean that they may be selectively imposed yet we are being asked to release any defense to that effect.

section (39) Submission to the North Carolina Planned Community Act. This apparently must be treated seperately signed & notorized for submission to the state. No copy of the Planned Community Act or referrance as to where to go to find a copy have been offered.

PAGE 9.
section 37

Common Elements. (At the time these Amendments were adopted, The Ledges of Hidden Hills had no common elements. This section is intended to apply to common elements that may be acquired in the future.) We have 38 home owners some whom own more than one lot and some of us who have split the purchase of a lot with our neighbor to keep overcrowding from becoming a problem and to secure our privacy. There are no lots owned by the developer, Mr. Vogel, and to the best of our knowledge no lots are available for development. As a development that is full, why are we dealing with this issue? The logical conclusion here is that there has been at least some discussion regarding land acquisition. We feel full disclosure is required here.

PAGE 10.

section (38)(c) Leins for Assessments. Please read this section very carefully- more than once. None of us has worked and saved our entire lives to have our most valuable asset threatened with the imposition of LEINS or FORCLOSURE PROCEEDINGS by a group of only (3) people - a majority -who make up the Board. Again, human nature being what it is, this is future recipe for disaster. Under no circumstances should this power be granted to such a small body. At the worst, no less than 2/3 of the membership should approve such action. We've been proven to be responsible homeowners - this kind of authority is uncalled for in our neighborhood.

PAGE 11

section (38)(d) Operating Budget. the statement that "the budget may be ratified without a quorum". This should be removed if only in the interest that ALL members have the opportunity to vote upon it.

PAGE 12.
section (38)

- (f) Acceleration. Ignore this one and you are on the way to having a lien placed on YOUR property.
- (i) Capital Budget and Contributions. Refer to "Page 9, section 37, Common Elements at the top of this page. Same conditions apply.
- (j) Interest, Late Charges and Payments. [review (e) & (h)] Credit card companies and the IRS charge 18% and higher interest rates. They are required to make money. We're a non-profit group. Late charges are NOT defined, and as you probably know are a huge source of income for credit card companies and the like.
- (k) Surplus Funds. Accumulation of funds in a non-profit should be limited. Surplus funds should be refunded to the membership.

SECOND AMENDMENT TO THE RESRICTIVE COVENANTS
OF THE LEDGES OF HIDDEN HILLS

(Which by Mr. Katz own words are unenforceable.)

In the original Restrictive Covenants no reference is made to The Ledges as a Planned Community. It is not a Gated Community. There are no out lets, which has been assumed to make this a more secure development. There are no ball parks, walking trails, tennis courts, swimming pools, neighborhood convenience store with post office or cafe, etc. The Ledges was built as an up scale community of unique single family homes - nothing more, nothing less.

Referrences in this section of the proposal are to the North Carolina Planned Community Act without providing a copy of this act. Of course we can take our time to retrieve this information from the inter net or the library, but this same information should have been made available to all home owners by the board. The exclusion of this information may mean that some homeowners would allow others to make an important decision with insufficient information.

BY-LAWS OF THE LEDGES HOMEOWNERS ASSOCIATION, INC.
(A NORTH CAROLINA NON-PROFIT CORPORATION)

AS AMENDED BY THE BOARD OF DIRECTORS, JULY 16, 2003.

Substantial changes to the bylaws of the Association were approved by the board. To our knowledge there was no general discussion or consultation with ANY homeowner. While the directors do have the power to make these changes, the entire membership must abide by these rules. Common courtesy dicates that at least some discussion is called for.

5.9 Indemnification of Officers and Director: The board has essentially absolved itself from all responsibility in conducting the affairs of the Association. Malfeasance & misfeasance are nearly impossible to prove in the real world, yet they are asking for the power of foreclosure. There MUST be a better solution.

5.13 Powers and Duties: 1st sentence what does "and may do all such acts and things as are not by the Restrictive Covenants, Articles of Incorporation, or these Bylaws directed to be done and exerised exclusively by the members." mean?
The Board shall have the power to adopt, modify, and repeal such reasonable rules and regulations as it deems necessary and appropriate for the governance of the planned Community or the admistration of the affairs of the Associations and to impose sanctions for violations there of, including, without limitation, monetary fines.

5.13 (l) States that "reasonable fines not exceed \$150.00 per day" may be imposed. These two statements are contradictory.

The board has changed the bylaws to include these (and other) clauses. We repeat - While the directors do have the power to make these changes, the entire membership must abide by these rules. Common courtesy dicates that at least some discussion is called for.

From:

Sent: Wednesday, August 06, 2003 7:00 PM

To: 'Marvin Katz'

Subject: RE: The Homeowners Association

Mr. Katz,

I do not question your good intentions or your desire to make The Ledges a better place to live, it is just that I disagree that it is necessary to take such drastic action as is proposed in the amendments. Please do not interpret my opposition to your position with disapproval of you as a person. Even though we have never met, I fully respect you and that you believe you are doing the right thing. Now let me respond to your response.

1. You completely ignored the first part of my statement. I do not believe that the people who live in The Ledges are the kind of people who are going to do the things that will require anyone to take legal action. Legal action is a last resort. I believe that the type of people I have met in The Ledges will not make a nuisance in the first place, but if they do the members of the community can weigh-in directly without having to resort to reporting them to a committee or the Board. That is the compelling part and only after that should anyone be threatened with legal action. Also, I don't think the people who live in The Ledges are the type that would shrink from that duty should it become necessary.

2. You've got the cart before the horse. You need have a demonstrated problem before you enact draconian measures to deal with things you may not want to happen, or which are relatively few in number.

3. As far as the leasing issue, your argument makes my case. Why would you want to try to police how other people use their property? If your rules pass, then you and the Board will spend a lot of time not only trying to make sure that property owners are using the property in the way it has decreed, but with all of the other rules that you have made. Not only in checking for violations, but in assessing punishment, hearing appeals and in tending to the litigation that will surely abound. Saying that 10-11 owners will make their property into rental units, either permanent or temporary, is a case of "the sky is falling". I just don't see that happening, and the fact that it could is not enough reason to place people's property in jeopardy of being seized. I don't expect that in our lifetime there will ever be more than a handful of homes that may be rental units at any one time.

4. No it isn't because private property rights are sacred in America and I fought in a "hot war" and the cold war to insure that to be the case. Private property can only be taken through our court system, not by the Board of a homeowner's association who did not have to openly display their agenda prior to being elected, and only after the agenda had been discussed, debated, and voted on after they were presented well in advance of the election.

5. I am a dog owner and find your explanation to be totally out of touch. Are you really so angry that these issues bother you. I cannot believe that the residents of The Ledges are so callous as to act the way you describe. I have lived and worked around the world, and I just do not accept your description of dog owners. If an owner can control one dog he can control two. If not, then obedience training can be suggested. Again, I believe the will of the community will cause such dog owners to comply with being a good neighbor.

6. I really don't know where you spent your adult life, but your opinion of human nature is surely different than mine. I cannot accept your opinion. I don't care if The Ledges comes under the North Carolina Planned Community Act, and if it requires the language in the amendments, then I definitely do not want it to become part of it.

If the amendments are defeated I will probably take my home off the market, but if they pass I will likely leave it on. Living in such a regimented place would be as close to a living hell as I can imagine. I am soon ready to retire and do not want to live in a community as depicted in the amendments.

Thank you for your offer to let me know how the meeting goes, I would be interested in the results.

Sincerely,

Dear Fellow Residents and Property Owners in The Ledges,

August 8, 2003

After much thought and reflection on the current issues facing the Homeowners Association, I have decided to weigh in with my thoughts. I have had several communications with the President of the Association in an effort to understand the issues and the reasoning behind the movement to amend the Restrictive Covenants. I have come to the conclusion that it is time for everyone to take a step back and take more time and make an effort to try to gain consensus among the residents. Therefore, I am encouraging you to not sign the amendments to the Covenants as they are currently worded. I have been a bystander in previous situations such as we are now facing, and they have always been divisive because no attempt was made to try to collectively and through consensus deal with the issues facing the community. I mean no disrespect to the President of the Association and believe that he is honestly committed to the issues addressed by the amendments. However, I have strong personal reservations about the need for such draconian restrictions on the use of private property as these amendments to the Covenants will decree. Property rights are one of the rights that many of us have fought to preserve and I for one am not willing to surrender them without a lot stronger case than has been made so far.

As you may know, Ursula and I own 910 Sunlight Ridge having purchased it in 1999. We have not been able to relocate due to our business situation, and probably cannot break away until sometime next year. One of the reasons we purchased in The Ledges was that the homeowner's association was not overly intrusive in the lives of the residents, and the annual fees supporting it were reasonable.....of course, the natural beauty of the area was the overwhelming reason. While we have not had the chance to meet most of you, our impression has been that the residents are neighborly and friendly and the properties are maintained such that it is truly a very lovely place. All of this has occurred without the amendments that are now being voted. Once we learned of the move to strengthen the restrictive Covenants in such a stringent way and due to our inability to relocate for another year, we reluctantly decided to place our home on the market. We have just completed a very extensive remodeling so that when we were ready to move our home would be ready, but the thought of going through what is now underway changed our mind. We believe it would be a wonderful place to live but not under such a possibly stringent system of rules, fines, hearings, and appeals which could eventually lead to the possibility of property seizure, and even though it may be a minimal threat, in the wrong hands it could be disastrous.

I am attaching to this letter some excerpts of my thoughts presented to the Mr. Marvin Katz through a series of E-mails in case you are interested. Since these were emails between Mr. Katz and me I have not included his response. If you are interested you can contact him personally and I am sure he would be happy to share them with you. The *....* indicates deletions in an effort to present the highlights in a concise way. I would be happy to provide the full text if it is desired.

Thanks for taking the time to read my letter, and I wish all of you the best of luck as you try to do the right thing in this very difficult situation. If it becomes possible for us to make The Ledges our home we hope the difficulties caused by this situation will have passed and we can all live together in an environment that is pleasing to everyone.

Sincerely,

Bill and Ursula Jenrette

August 8, 2003

Letter to our Neighbors in the Ledges:

Much has been said about the "need to correct deficiencies" in the Restrictive Covenants and corporate By-Laws. So, what are these "deficiencies" and how and when did they occur? The following chronological summary suggests reasonable answers.

- December 1988 – Developer Ed Vogel records in the public records of Henderson County a two-page plat map creating the 49-lot major subdivision known as The Ledges of Hidden Hills. The Restrictive Covenants for the Ledges of Hidden Hills are recorded at the same time. Paragraph 35 of the Covenants states that the Developer intends to establish a non-profit corporation known as THE LEDGES OF HIDDEN HILLS HOMEOWNER'S ASSOCIATION (hereinafter referred to as Corporation #1) for the sole purpose of enforcing the provisions of the Covenants. Taken together, these two instruments establish the legal basis for the community.
- January, 1989 – Lot transfers begin to individual property owners. Most, but not all, of the first deeds from Vogel Development to individual purchasers contain this paragraph which refers again to Corporation #1:

The grantor herein contemplates the establishment of a non-profit corporation to be known as The Ledges of Hidden Hills Homeowners Association, and by acceptance of this deed the grantees agree to become and shall automatically so become members of said Homeowners Association when so formed by said grantor; and said grantees agree to abide by the corporate charter, bylaws, and rules and regulations of said Homeowners Association and agree to pay prorata charges and assessments which may be levied by said Homeowners Association when so formed. Until the above contemplated Homeowners Association is formed or in the event the same is not formed, the grantor reserves the right to assess the above-described lot and the owners thereof an equal prorata share of the common expense for electrical street lights and electrical subdivision entrance sign lights and any other common utility expense for various lots within the Subdivision.

PREPARED BY: DON H. ELKINS, ATTORNEY AT LAW

As resales occurred, this language began disappearing and is not contained in the deeds of 13 current property owners.

- September, 1994 - Articles of Incorporation are filed for THE LEDGES HOMEOWNERS ASSOCIATION, (hereinafter referred to as Corporation #2). Note on page 1 of the attached Articles that the authority of this corporation has been expanded beyond merely enforcing the Covenants. A reasonable person could conclude this was an attempt to circumvent the clearly limited power granted the Association by the Declaration.
- July, 1995 Newsletter – It is reported that an amendment to the Restrictive Covenants has been approved authorizing the filing of a lien for non-payment of the annual

assessment and that the amendment will be registered in the courthouse. Instead, the legalistic paragraph is added to the By-Laws of Corporation #2. Why wasn't the "amendment" entered into the public record? It is likely the board was informed by its attorney that the 1988 Declaration did not establish any common area or authorize the collection of assessments. Therefore, no legal authority existed to file liens.

- 1994 – 2002 - For the nine-year period during which Corporation #2 has collected assessments, expenses have increased at an annual rate of **9.8%**. The checking account balance has increased at an annual rate of **19.5%**. The average annual inflation rate for this same period was **2.5%**.

In the rural heartland where we grew up, the old-timers would refer to this series of events as "trying to make a silk purse out of a sow's ear." Although it confers no status, the legal standing of The Ledges is a subdivision. And while Mr. Vogel's planning was excellent, The Ledges is not a "planned community" as defined in The Planned Community Act.

(23) "Planned community" means real estate with respect to which any person, by virtue of that person's ownership of a lot, is expressly obligated by a declaration to pay real property taxes, insurance premiums, or other expenses to maintain, improve, or benefit other lots or other real estate described in the declaration.



In conclusion, we are willing to voluntarily contribute to the cost of existing entrance and street lighting and snow removal. With property values at twice the June 2003 county average selling price of \$189,156., certainly we're all able to arrange for and schedule our individual lawn maintenance.

Sincerely,

Lou and Vivian Armstrong
510 Red Fox Court

To Our Neighbors in "The Ledges"

Here we are again! The further we dig into the proposed changes we are being asked to accept, the more foul odor we detect. Although many of you probably figured it out, before we did, we feel that we must bring one more very important observation to your attention. We will try to keep this brief.

Our Board of Directors at their July 16th meeting saw fit to amend the bylaws changing the voting rules of the membership. Prior to July 16th, each family or household was entitled to one vote. The amendment of July 16th changes that rule to one vote per lot regardless of the number of lots owned. This means that one family or household owning 2 (or more) lots will have 2 (or more) votes. We suggest that you study the original bylaws, and the amended bylaws side by side.

A review of those lot owners that appear to support these sweeping changes indicates that many hold 2 or more lots. Since there was no discussion with the membership that we are aware of - no board member EVER asked our opinion - the only conclusion that we can reach is that the Board saw fit to deliberately "Stack the Deck" against those property owners that might oppose the changes.

While the board may not be legally required to take a second look at these proposals, they are certainly morally obligated to do so if only because of the large numbers of opponents that have surfaced.

As for the legal issue, consider this. It is very likely that property values in the Ledges will plummet since no one would want to purchase a home in a neighborhood embroiled in the litigation that is sure to follow.

We hope this will be our last letter about this issue. Again, we're open for discussion with anyone at any time.

Bill & Rae Clore