

C&O CLUB ASSOCIATION

TO: Unit Owners
FROM: Board of Directors
RE: Request for Approval of Expenditure
DATE: November 16, 2008

Nature of Request

This is a request for approval of the expenditure of \$10,000 to purchase a 117' x 38' piece of buffer property between Monte's Car Wash and Stroud Court. The purpose of the purchase is to resolve a dispute over maintenance of the property, which the Association does not own, but which borders Stroud Court, and is currently maintained by the Association.

Background

When the Stroud Court tier was added to the Association, the Stroud family retained all of the property to the east of the Sleep Inn between US-31 and Stroud Court. The property line was at the north edge of Stroud Court. Some of the property was developed, including Monte's Car Wash and the condominium. The Association purchased the wedge piece several years ago. The Association has maintained the buffer along Stroud Court, even though it does not own the property.

This summer, a dispute arose between the Association's maintenance people and Monte over the buffer area between the car wash and Stroud Court. One thing led to another and Monte threatened to clear the trees on the buffer up to Stroud Court. Since the Association does not own or have an easement to the buffer (akin to its rights along C&O Club Drive near the new wall), its legal options were limited. After some lengthy discussion, the Association agreed to purchase the 117 x 38 foot strip. Monte's original asking price was \$15,000, and the final negotiated price was \$10,000, \$5,000 down and a \$5,000 note to be paid by June 1, 2009. In addition, there are closing costs of approximately \$1,100. The Association will receive a warranty deed to the property and it will be incorporated into the Association by an amendment to the Master Deed.

The transaction has been approved conditionally by the City of Charlevoix, which required an undertaking that the piece would not be developed separately, and would be used for a buffer.

A copy of the City's conditional approval and the proposed amendment to the Master Deed (which contains a survey showing the area) is attached.

The Board realizes that this is not a wonderful time to be spending money. Indeed, we suspect that part of this may be prompted by Monte's own financial situation. The Board does not anticipate a separate assessment for this transaction, but the action will likely add approximately \$300 to the 2009 annual operating assessment. Nevertheless, we have taken similar steps in the past to protect the buffers around the Association property, and the Board believes, unanimously, that this is a prudent step. Accordingly, it recommends approval.

Proposed Action

The transaction requires the approval of two-thirds of the Units.

The Board requests the Unit Owners approve the following resolution:

RESOLVED, that the Association approves the transaction to purchase the Monte buffer strip and the amendment of the Master Deed as described in the memorandum of November 16, 2008;

FURTHER RESOLVED, that the President of the Association is authorized to execute all documents and instruments and to take such other action as he deems reasonably necessary to complete the transaction.

Voting

Please indicate your vote on this proposal by return e-mail to Jeff Lipshaw at jlipshaw@gmail.com no later than November 30, 2008. You may also submit your vote in writing to:

Jeff Lipshaw
154 Richdale Avenue
Cambridge, MA 02140

Please contact Paul Hoelderle with any further question.

Respectfully submitted,

C&O CLUB ASSOCIATION BOARD OF DIRECTORS