

LAKE WALLKILL COMMUNITY, INC.

5 Lakeside Drive, Sussex, NJ 07461

973-875-5620

January, 2016

Dear Member,

On behalf of the Management Committee, Brendan & Glenn, I wish you and your family a happy and healthy new year.

Key information about our community:

2016 Budget/Dues: The Management Committee met in open meeting on November 15th to discuss the budget for 2016. The Management Committee voted to implement dues of **\$1,150.00 in 2016**. This dues amount represents a \$100 increase versus 2015. Despite tight expense controls and collections from our past dues arrears, we have experienced extraordinary cost related to the ongoing lawsuit (details below). These added cost are attributed to Insurance, where our Directors and Officers liability carrier dropped our insurance, the new policy had an increased premium cost of \$10,000 per year. The other category is legal where fees to defend the Lake in the lawsuit have exceeded \$50,000 in 2015. While we expected legal costs in this case in this range it was anticipated the case would stretch over a number of years. As the case has progressed to trial (relatively) quickly, the bulk of the legal cost was incurred in 2015.

The new Tennis court has been well received and the Soccer Saturday crew has made great use of the extra field space. In the 2016 budget we have included funds for repairs, refurbishment and painting of the Clubhouse as well as necessary funding for action required to fulfill the obligations of our 2014 Dam Inspection Report.

Lawsuit Update: There is an ongoing lawsuit by three members (all related) challenging our collections process and specifically the filing of liens. As a reminder, we are represented by the insurance company for part of the lawsuit and by Eileen Born of Dolan and Dolan for the remainder of the lawsuit. 2015 was a busy year for the various aspects of the lawsuit and included processing of all requested discovery, documenting our defense, development of motions to the court, the deposition of five (5) Plaintiffs, one (1) Plaintiff witness, and five (5) representatives from Lake Wallkill. There was a hearing before the judge in October that led to the dismissal of one of the Plaintiffs complaints (Slander of Title) as well as one of our Cross Complaints (Trespass). The rest of the case including the Discharge of the Lien and Lake Wallkill's demand for payment are carried over to trial currently scheduled for mid-January. We will keep the membership updated as this case develops.

Irene Reimbursement: In September 2015 we got word on Vernon's appeal, on our behalf, for reimbursement of Irene damages. The September letter from FEMA approved 2 Project Worksheets totaling ~\$5,000 related to debris removal. The substantive cost for road and bridge repairs were not approved nor were they denied and Vernon has submitted a "Second Appeal" to address the issues and questions in the FEMA response. We do not have a definitive timeframe for response and we do not know when the approved funds will be disbursed. As we learn more we will update the community.

More members are finding **Payment Plans** a convenient and confidential way to manage their dues bill especially in a case of financial hardship. We have a Finance Committee to handle the administrative process confidentially. You may e-mail us at officemanager@lakewallkill.com or members may use the enclosed dues form to indicate they are interested and need to be contacted about a payment plan. If you need a payment plan, please request it early to avoid any late fees. For more information on payment plans you may stop by the office or find it on line at: <http://www.lakewallkill.com/pdfs/fcp.pdf>

Planned 2016 Meeting Dates (Subject to confirmation, with details, at least 14 days in advance)
Saturday March 19 & May 28, Friday (evening) July 1, Saturday July 30 & September 4 and the annual Budget meeting on Sunday November 20.

Based on real estate taxes paid by our community, the amount allocated to each member in good standing is \$58.17, which may be used for income tax purposes.

Sincerely,



Bob Smith

President, Lake Wallkill