

CREEKSIDE HOMEOWNERS

RE: CREEKSIDE GOLF CLUB FUTURE – OWNERS PROPOSAL

Dear Creekside Homeowners,

Last week the Board provided you with information related to the Creekside Golf Club Owners (Larry Tokarski & Terry Kelly) (“Owners”) desire to continue golf operations through financial support from the Creekside Estates homeowners (“Homeowners”) and golf members. Attached are the Owners requirements from the Homeowners to keep the golf course open.

As you can see, the Owners Proposal consists of two separate financial measures from Homeowners. The first is a **separate Assessment** of \$90.00 per month, per household (588 households). The second is a **Transfer Fee** consisting of 1% of the sale price of any home sold in Creekside Estates. Monies collected would go into a trust fund that would cover future capital projects (65%) and salary increases for club personnel (35%).

In accordance with Creekside Estates BYLAWS and CC&R’s the two financial measures have different voting metrics for approval. The Assessment would require 2/3 of homeowners **voting on the proposal**. The Transfer Fee would require an amendment to the CC&R’s and this would require **75% approval of all households to pass (441 households to approve)**. Subsequently, the two financial measures will be voted on separately. If, in the future the golf course is closed, the Assessment and the Amendment would be cancelled.

The remaining items contained in the proposal are not financial but will have an impact within the community. These items are equally important and require your consideration as they will be approved upon approval of either financial measure.

At this time, the Board is making arrangements for a Question & Answer Town Hall meeting. Exact location, date and time will be provided in another e-mail. In accordance with the Owners Proposal, voting will occur on **Wednesday, June 29, 2022**. If you are not able to attend and vote in person, each household will have the ability to vote via proxy. More information on this as well as ballots will be provided in the coming days/weeks.

We wish to thank each and every one of you for your past support and your continued support in the days and weeks to come. The Board looks forward to providing you with all the necessary information as well as answering all your questions.

In the meantime, if you have questions, you may contact Joel McDonnell at CMI and he will pass your concerns to the Board. E-mails can be sent to joelm@communitymgmt.com. Additionally, you may refer to the website www.keepourcreekside.com for additional information.

Sincerely,

Audrey Konold, President
Creekside Homeowners Association

PROPOSAL 1

OWNERS CONDITIONAL PROPOSAL TO HOA FOR CONTINUED GOLF COURSE OPERATIONS

The HOA will pay a separate assessment of \$90.00 per month, per household (588 households) into the Annual Capital & Salary Preservation Fund. This fund will be used by the Golf Course towards approved CAPITAL PROJECTS (65%) and SALARY INCREASES (35%) only and the fund will be subject to an annual audit, which the HOA Board will be allowed to participate in.

TOTAL ANTICIPATED FUNDS: \$635,040 annually

The HOA will collect 1% of the selling price of any home sold that is within the HOA boundaries and such funds will be deposited into the Annual Capital Preservation Fund.

TOTAL ANTICIPATED FUNDS: >\$200,000 annually

The Owners agree that this will be a minimum 5-year commitment between both parties. The Owners agree that during this 5-year initial term that the HOA will have the right of first refusal on any potential sale of the Golf Course.

The Owners will defer the remaining outstanding Court of Appeals attorney fees in the amount of \$133,283.50 and their cost in the amount of \$491.00, as well as the remaining interest in the amount of \$77,992.64 that is currently owed by the HOA. Funds collected from the HOA in an amount greater than \$835,040 in any given year will go towards the repayment of those deferred amounts until the amount reached \$0.

The Owners agree that if the golf course is closed, any unused funds in the Capital Preservation Fund will be returned to the HOA in the amounts that they have provided.

The Owners agree that should the golf course not meet the Owners' objectives in the future and the Golf Course is to be closed and subsequently developed, the Owners, or their successors will agree that all homes constructed on the golf course property will be required to join the HOA and be subject to the ARC guidelines at the time of construction.

The HOA will agree not to oppose the development of Owners lot into 3 lots at the corner of Creekside Dr. & Crooked Stick (opposite the 14th green).

The HOA will agree not oppose the development of condominiums, not to exceed 2 stories high, to be built along Creekside Dr., below the 13th Tee Box up to the first house on the right side (from the golf course point of view) of the 13th hole.

The HOA will be more supportive of Golf Course and Danny's signage inside of the boundaries of the Creekside HOA.

If accepted by the Owners, the HOA will provide information to the Creekside Estates Homeowners as soon as reasonably possible and provide a voting timeline that will be completed by May 31, 2022.

J.E. Sepanski
5/24/22

PROPOSAL 1 – ADDENDUM from OWNERS

The election will be held on June 22nd, 2022.

The length of the agreement between the owners and the HOA will be five years.

The percentage allocation of funds between the Capital Projects and Salary Increases may vary from year to year from the 65%-35% stated goal.

If the Club fails to be profitable during the five-year agreement, ownership retains the right to close the Club and any funds left in the Trust Account will revert back to the HOA.

The funds raised by the HOA will be placed in a Trust Account controlled by the HOA. The HOA must approve any funds released from the Trust Account and the Club will be required to provide invoices and documentation before any funds will be disbursed.

Current ownership will ensure if the club closes and the property sold, that any new development will be part of the Creekside HOA if the HOA assumes responsibility to maintain any new common areas that are the result of the development. However, any new development will not be subject to existing ARC guidelines that may be in place at the time of the development.



Larry Tokarski

May 24, 2022