

BEAVER LAKE ESTATES, LTD.

"The First Modern Orthodox Vacation Resort Community in the Catskills"

TO : General Meeting  
FROM : T. Karfunkel  
SUBJECT : Administrator's Report  
DATE : August 5, 1986

1. SHARES All 87 shares have been sold. The Corp. has developed 87 homesites. Presently there are a number of "resales" on the market. The procedure for resale is stated in the Stockholders Agreement.

2. HOMES All but 2 shareholders have completed their home construction. The outside work for "G-4" has been completed & construction will resume after the Summer.

3. LIQUID ASSETS  
(AS OF AUG. 5) a) in interest generating accounts: 73,637  
b) in no-interest " " 34,579

4. LOANS  
The Corp. has borrowed a total sum of 413,500  
21 shareholders opted not to pay the 5,000 mandatory loan, but pay interest (-105,000)  
14 shareholders opted not to pay the 3,000 special assessment but pay interest (42,000)  
The Corporation is paying interest on 266,500  
All the lenders are shareholders or parents and children of shareholders  
The Corporation is paying 12% on all the loans  
Individual shareholders who opted to pay interest are charged 15%.

5. RENTALS  
All except 1 one bedroom unit rented. Vacant unit is rented for weekends.

a) 5 x 3 broom units	= 18,250
b) 2 staff units	= 6,150 (charged to Day Camp budget)
c) trailer	= 3,500
d) 9 x 2 broom units	= 29,170
e) 4 x 1 broom units	= 11,350
f) 8 small units	= 12,240
	80,660

6. DAY CAMP  
Once again the operating expense will be covered by tuition income. Camp bills were sent out. Please pay them promptly. In July there were 128 campers attending full-time (to be distinguished from children who stayed for a couple of days), 50 were the children of renters & 78 the children/grandchildren of shareholders.

7. CHARITY FUND 1,713 donated & not yet distributed

8. TORAH FUND 47 shareholders have contributed to be patrons

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9. LAND DEVELOPMENT

Since June 1985 Krum & Son, Inc. has been the prime contractor.

June 1, 1985 - Sept. 30, 1985 invoices totaled: 83,098

As of Oct. 1, 1985 outstanding balance was : 16,598

Oct. 1, 1985 - Present, invoices totaled: ~~119,607~~ 140,194

Oct. 1, 1985 - Present, payments totaled: 119,607

Outstanding balance: 37,185

A breakdown of the money spent from Oct. 1, 1985 \* Present;

- a) Site prep. (4 sites in F & cluster G) : 35,296
- b) Drainage, fill, grading, landscaping, etc. : 59,612
- c) Repair/Maint. : 8,155
- d) E/F Parking Lot : 4,905
- e) Water & Sewer hook-ups, Septic tanks : 6,300
- f) Courts (basketball, paddleball, shuffleboard) : 9,128
- g) Baseball field : 1,885
- h) Concrete boxes : 990
- i) Walkways : 9,998
- j) Carports (most of it to be back-charged) : 3,221

Within the next couple of days work in F will be completed. The two remaining areas are; P-19 to P-24 & cluster G.

10. Wells The "G-Well" was completed & hooked up ~~to~~ to the system. Cost:7,900. A new transfer pump was installed in the "Tennis Court-Well". Cost: 711. The wells are checked daily & the system is operating well.

11. Treatment-Field Some of our neighbors harass us by periodically reporting raw sewage from Beaver Lake in neighboring springs. The DEC keeps checking. Regular maintenance is performed by staff. Glenn Smith, a Monticello P.E., spot checks.

12. Electricity Additional outside fixtures were installed. All new homes were hooked up at Corp. expense. (Mears Electric:4,202, Kerber Electric:1,650)

13. Purchases The following expenditures were made boats (4 new ones; 2,276), 2 ping pong tables (590), 2 golf carts (1,600), 100 chairs (2132), fire exit from Casino (1,400), extension of dock (1,080), oars & life jackets (447), fans (585), carpeting for stage (720) and signs (255).

14. Pool Completed payment to P. W. Lewis for work done. 3,950. Cost of electricity for running pumps for Summer is between 2,000 & 2,500.

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15. Legal Service Payment to Gross, Gross & Gross completed. 3,000 for service rendered in futile challenge of assessment rate.
16. Surveying Payments of 8,000 made to Dillin & Sorace for survey contract preparing all required maps for Homeowners Assoc. Balance: 2,450.
17. Land Purchase A 10% downpayment (8,800) was made. Corp. will have to come up with an additional 40% at closing to take place within a month.
18. Indep. Contractors This past year the Corp. successfully utilized contractors to take care of special projects, increase productivity, tighten performance and limit cost. A seasonal contract for grass cutting was given to Harold Krum, 14250. He has been on the grounds since May 1 with an assistant. He has been performing extremely well. Outside contractors have been used to put down the carpeting on the stage (876), minor renovation of rental units (798), curbvalves, busted lines (1,565), excavations(1,960), & snow removal (225).
19. Staff Sol Jacobs has been helping me on a part time basis. I greatly appreciate & value his efforts. In addition to the caretaker, there are 3 workers regularly on the premises. They follow a set routine of cleaning, minor repairs, maintenance of facilities, garbage collection, Eruv fixing, pool cleaning, etc. The performance of the caretaker has invited much negative commentary. I recognize, more than anybody, the level of his productivity. I also recognize that some of the harshest criticism has come from shareholders ("I haven't seen him all day" "Where is he now?", etc.) who may not even know that there is a treatment field and who have not been to the rental area more than twice this past 4 years.
20. Insurance We had a hard time renewing our Excess Liability Policy. A condition faced by many organizations, municipalities, corporations, etc. After much correspondence (explaining the nature of a corporation that loses money every year, the purpose of the Day Camp, tree-houses, etc.) The policy, 4,000,000 coverage, was renewed. Premium increased from 700 to 1,549.
21. Entertainment The average Saturday night show costs (band, singer & comedian) 1,500 - 1,700. The nature of the audience is such that there will always be criticism. I hope that the most vocal critics will be in charge of entertainment next year.
22. Home repairs This season, in view of the stable situation in the rental area and in recognition of the difficulty of getting repairmen to make house calls, our staff has been doing a lot of work in individual homes. Please bear in mind that the Corp., as it is spelled out in the Stockholders Agreement, has no responsibility with respect to individual homes.
23. Security We have been rather fortunate. We still have a large number of contractors & workers coming to the grounds. Some of you sent up workers from the city to do work & to sleep over without alerting anyone. A lot of sform have disappeared and tables borrowed from the shul have not been returned. The workers can not be blamed.
24. Audit The Labor Dept. audited the books. The last 3 years are O.K. In the previous period the Corp. utilized the format of indep. contractors for all. That was found partially unacceptable & we will be backcharged.
25. Phone Directory In the list distributed, add Irving Grunberg 796-1247, Ed Clark 796-1985, correct Paul Gertelman 794-8375, Mark Stok 794-2849

26. Parking The addition of the E/F Parking lot, the construction of additional carports and the reserved parking arrangement in the A lot and in the Lake Rd lot have gone a long way to solving the problem of too many cars & not enough space.

27. Traffic Rules Safety is the primary purpose of the rules & most of us, most of the times, have been observing them.

28. Mandatory Loans 77 shareholders have already fulfilled the obligation of providing the Corp. with a 5,000 mandatory interest-free loan. The last 10 shareholders will be formally notified of this obligation within the next month.

29. Taxes I will notify you in September of your School tax which will be approximately the same as your Town/County tax.

30. Timely Payments The great majority of the shareholders have been fulfilling all of their financial obligations in a timely fashion.

31. Some Problems Some people's problems are other people's solutions. I would like to share with you my perception of some of the problems we will have to deal with in the near future;

a) equity in assessment: The Stockholders Agreement does not make any distinction among shareholders. All shareholders pay the same assessment. This concept, no doubt, was the product of the belief of the pioneer group of shareholders that all homes built, more or less, will be the same. Our earliest plans envisioned, as the largest possible model a home that by today's standards will be regarded as average. There is a tremendous amount of difference between the extremes. This is not reflected in the assessment arrangement. I would recommend the appointment/election of ~~the~~ a Committee that would propose a modification of the Stockholders Agreement to bring greater fairness to the assessment procedure.

b) multiple family dwellings We welcome guests at Beaver Lake, especially if they are someone else's guests. However, a permanent arrangement of more than one family occupying a single family unit is unfair. The shareholders have to recognize and deal with this problem.

c) obeying rules A community requires rules. They are there for our benefit. One can not be selective about them. Too many shareholders are.

d) decision-making It is difficult to make a decision in a democratic organization where everybody is an equal partner and where most people genuinely believe that they are more perceptive than most other people. The Board has spent a tremendous amount of time trying to resolve disputes. There is nothing wrong in trying to influence the Board, making a point in a dramatic fashion often helps. However, once a decision is made, the will of the majority should be respected. A dangerous precedent has been established at Beaver Lake & that is the ability of a small group & sometimes only an individual to defy the decision made. We will all suffer because of that.

I would like to thank you all for the cooperation & understanding that you had shown this past year. We had made great & visible progress. I recall vividly that winter day  $4\frac{1}{2}$  years ago when George Guttman, Ossie Schonfeld & I climbed over the fence of an abandoned camp & searched for a path leading to a lake. We found the lake. We have come a long way.