

Shadow Lakes Association II
Board of Directors Regular Meeting
August 27, 2011
Minutes of the Meeting

Pledge of Allegiance

Roll Call

Let the roll call show that all Board members are present. President Steve Aumueller (SA), Vice President and Secretary Frank Landolina (FL), Treasurer Chuck Van Patter (CVP), Director Hank Genteman (HG), Director Dennis Beauregard (DB) and POAC Chairman Dan Sennett (DS)

SA, before we get into the reports, we changed it up a little bit, we are going to do public comments first. Hope to save time.

Frank K, FV200 in the recent weeks we have seen a couple handouts, one derogatory to the POAC and the other to the board. I think it is time to get down to what is important for SL rather than personal bickering. These handouts, I know they are not approved by the POAC or the Board. Let's set aside our differences and talk. Getting rid of people doesn't help anything. YOU can get rid of people over and over again and it will be the same thing. SL is the important thing so let's get down to business and stop these little snits. *Applause*

Ken Watts, FV225, on that vein to go along with what Frank said. I don't know who sent disparaging comments to the free press but I denounce them as a coward and as a member of this organization. For the simple reason they did is a disservice by devaluing everyone's property. To continue to do this type of thing, we have Board and POAC meetings we can get together in strength. To put that stuff out in the paper is an absolute disgrace to this place. And I am really perturbed. Who ever did that is a coward. *Applause*.

Rita Bravacas (RB), FV241. Let's get down to business, this is what I heard. I don't know if it is a rumor if is not a rumor I want to know why. I heard the two people that sign the checks are not bonded. Is that correct? SA, NO. RB, they are bonded? SA, Yes, actually the three people that sign the checks are all bonded. RB, and how we get proof of that, just word of mouth? CVP, I can give you the insurance papers, everyone here is covered. SA, this is a brand new policy. RB, what is the date? CVP, our insurance changed on the 15th of this month. We are with a different carrier and everything was done. SA, prior to that the Board was bonded under the old policy, this new policy actually includes all the employees and the POAC. RB, is that a fidelity bond? CVP, they put fidelity, they put theft by employees, everything is here if you want to see it or want a copy of it. HO, what is the amount of the fidelity bond? CVP, it is only 100K per occurrence but if something happens more than that, they'll go more. It's just the way they are writing them. In fact all the Board members here with the exception of Dennis met with the old, the insurance agent and probably talked for an hour or so and that's what we come up with. In fact we just paid 17,444.08 for this policy.

Celeste Reed (CR), TMV190, under the old policy what was the rate, if this one is 17K, what was the old one? CVP, the old policy was like 15K. It did go up because of some of the riders on here. We found out that the gator was not on there, the elec golf cart was not on there. Some of the employees went on it. CR, so if I wanted to see the old policy, I can see that. CVP, sure. Anybody in here can see anything at any time. CR, we are only covered for 100K? CVP, that is per occurrence. SA, that is the most they would give us. CR, that is all they will give you? SA, yes. CR, I think you need to shop around because I know you can get fidelity insurance in increments of 10K or 5K. I don't think 100K is enough seeing that we have over 200K alone in our checking acct. CVP, I know we have been talking about this since the last administration and they never had anything on it. I don't know what else we can do about it. Maybe we can raise the coverage. SA, the problem was unfortunately our old insurance company dropped us with the accidents and the wrongful death. So we had a hard time finding an insurance company at this point and in the amount of time we had to find one. FL, that was last year. SA, that was last year. It went up a little bit because of everything that was involved. Are we going to stop shopping, no we are always looking for better deals. CR, I understand, we all need to be covered. It is our money and we want to make sure it is covered.

Chuck Keiser (CK) FC272. I have a problem on my property. I have a discharge that is coming down on the edge of my property line, towards the back, it is lower than the road and I am getting all the dirt coming off the road and it's coming into the channel. It is getting to the point that when the water gets low, I already had to extend my dock out so I can get my boats to my dock. It is building up in the channel and it is low anyway. With all this dirt coming down, I was wondering if there is some way we can rectify the problem. Re-route the discharge. If not that, they maybe once or twice dig out the channel. I want to build out here and I can't lift my boat to the dock when I am 70 years old. HG, I have been over there a couple times. SA, is there something that can be done? HG, when he bought the property the drainage was already there. The channel is 2' deep. He does get some stones in there. I don't know if we can dig it out. We will have to talk to Army Corp of Engineer before we can do anything like that. I have talked to you 3 or 4 times this year but there is nothing I can do so far. Maybe the Board can help look into this. *"HO gives Board copies of pictures showing area."* CK, if you find out anything you can give me a call. SA, we will look into it. Things don't move that quickly but we will look into it for you.

Bill Richie (BR), FV129. I would like to find out about this radar. I got a notice in the mail that I got caught twice with my wife's car. 17mph and 20mph. who is the operator of the radar gun? SA, there are several different officers. I don't know without seeing the paperwork. BR, don't you have to be certified to operate radar? SA, private property. BR, per the State of IL, you need to be certified. SA, that may be true, but this is private property. BR, if you catch me again, you are going to fine me 25\$ right? SA, the one ticket for 17mph I don't know why you got that one because we usually don't bother you until it is 20mph. BR, another thing is this checking account. How much money is in it? CVP, today it is 187K. BR, and yet you are only bonded for 100K. That doesn't make sense to me. HO, that money should be in savings not checking. You are supposed to have 5K in checking and the rest in savings. CVP, ma'am, we are going through 35-45K a month, that checking account will be 0\$ by the end of December. You can get 0.01% interest, is it worth moving it around, I don't think so. HO, it is when you are not bonded for it. CVP, two people have to sign to get any of this money out, I don't know what we are worried about. For 5 years we didn't have any kind of financial accounting out here, all of a sudden bang. BR, you are evading the question. CVP, no I am not. CR, the more difficult the better to get money. The harder it is the better. Unfortunately situations and times have changed and we all have an interest in SL and we all want to make sure our money is protected that is all we are asking. CVP, I just don't know how we can protect it better when we need X amount of signatures to get this money. I don't know what else you can do. And to try to get a couple % interest or put it someplace else you are just going to be shifting everything around. HO, it is more to protect the money that earn interest. To make it harder to get to. So there are a couple of extra steps to do when you have a lot of bills, that is what we are asking for. CVP, so does someone want to put it in a CD and every month go down and pick it up. HO, no you cannot invest that money, you can put it in a bank CD, but you can't invest in stock. You cannot have that kind of money sitting in checking. If a person can't take the time out to go to the bank and transfer to checking, they don't belong on the Board. How long does it take? I go and take money out of savings and put in checking and it takes me like X, like that. CVP, that is your opinion. *Loud protest*. HO, it is our money. Do you still have trustees? CVP, Yes. HO, Who? SA, there is an audit committee. There is every single property owner can come in and see the books anytime you want.

HO, you got rid of the 2 trustees you had? SA, we never had trustees, we have an audit committee. We still have that. We have 2 more volunteers which I am going to introduce today which. Dennis didn't want to be on the audit committee so he ran for the Board. So we had to find a replacement for Dennis. If you want to look at your bank records here, there is even a pie chart. These people are watching our money. I don't know what else we can do.

Lorraine Saporoto, (LS) FC215. You can transfer money on the computer or over the phone; you don't even have to go to the bank. For saying we have 87K in our checking that is not covered, yes, you should get it covered and you can transfer it. DB, you have 2 people to sign the checks so you are covered for 200K right off the bat. LS, you are only bonded for 100K. SA, per person. Here is the other part, if you can transfer money over the internet or phone; we are not any more protected any way. You leave it in there and you are losing a couple pennies interest. But it still takes 2 people to sign. If you want it to be safe, then you have 2 people go to the bank every week to transfer money.

Devon Yard, (DY) FC237. About 4 weeks ago I was informed of some very serious accusations against the Board. Consisting of, by-laws being changed in closed door session, in direct violation of xxx, Board members being in sharp contrast of promises they made when they ran. I don't know if this is become of some personal quarrel or if there is actually something going on, regardless, these are some very serious things for a Board to even be accused of. I would like to know what is going on; I think I have a right to know what is going on since I will inherit my Dad's property. SA, you have a right to. The thing is we have spent hours and hours on this same stuff. My suggestion is you go to the office and get my email or my phone number or come over. All of these accusations have gone out and a lot of them are against me personally. No one has ever come to me and asked my side of anything. DY, I am asking you now. SA, well what do you want to know? We need to make this quick because like I said we have gone over this a hundred times.

Rod Reed (RR), that is what you said the last time you were asked a question; you didn't want to take the time to answer Steve. SA, I have always taken the time to answer. RR, no you haven't. SA, what specifically is your question? DY, just from the back lash from this question, everyone in this room wants to know. What better time is there to answer questions? SA, what is the question?

Pam Santos (PS) FV148 Steve, I think everyone is concerned about the resolutions. About our perception of how you handled that. I would suggest that you change the by-laws to make resolutions for emergency only. The way I perceive it is that your business should be conducted in front of the people. I don't like the way that was handled. SA, the by-laws read the Board can make a resolution to change a by-law at any time. As far as doing it for emergencies, I am all for that. The reason they were done that way is because there were a lot of by-laws changed. People keep saying there were 18 by-laws changes, it was 18 sections, but it was only a couple of by-laws because it was in the book in a lot of different areas. We took the word Manager out; it is in there about 6 different spots so that was 6 different changes. PS, those are not the ones we are talking about here. SA, The reason they were done by Resolution was to save time. Otherwise these meetings will go on for 8-10 hours. None of them were done behind closed doors; they were written up and left in the office for the other Board members to look at and sign or not to sign, that is not closed door. There were no special meetings, that is one of the things they are saying we did, which is absolutely untrue. PS, it wasn't done here in a public meeting. SA, it was strictly to save time that was it. *Loud protest.*

HO, it was for your convenience. CR, we are willing to take the time to listen to what you are changing. SA, we will do it that way from now on. We have gotten a lot of grief about it. HO, put it back to the way it was and then we'll do it. SA, that is not going to happen now. Too much time.

DS, You are going to have to be patient. At the last POAC meeting did ask the Homeowners did ask us to look into this. I did ask Steve if I could talk to our Assn. Lawyer and he told me no because he felt it was over. So what I did was I contacted a lawyer named Gary S. Mueller, he represents about 140 associations and he was willing to give us a legal opinion on how by-laws are done. These new by-laws, there were 7 by-laws that were done by "action without meeting" copies *given to Board members*. We did this because they wouldn't let us use our Assn. lawyer and I felt as the Chairman it was something I had to do. Action without meeting in our by-laws says ...

"Section I Action Without Meeting Unless prohibited by law, any action, which might be taken at a meeting of the Board, may be taken without a meeting". (Which is true, they only meet 4 or 5 times a year and there are a lot of emergency things that come up that they have to meet on, so that part we understand.) "The action shall be authorized in a writing (by resolution), signed by all of the Directors who would be entitled to vote upon said action at a meeting, and filed with the Secretary of the Association. These actions shall be presented at the next scheduled meeting."

DS, they have to present every single thing, not saying they are in the office go read them. They were not signed by all the directors. Hank Genteman did not sign them. They have to be unanimous. Let me read you what the letter says and then I will read the not for profit act for the State of IL too.

"The action without meeting is intended to be used only for emergency situations. Even in an emergency situation, any action taken must be re-verified and ratified by the Board at the next regular meeting. Further, "action without meeting required a unanimous vote". Finally, "the intent of this accommodation for addressing emergency situations is not to be expanded to allow for changes to by-laws or covenants, conditions or restrictions."

That was his research and his ruling. When I first got into this I thought action without meeting was something we came up with, a by-law that SL created, it's not, it is part of a statute that all across the country everyone knows what action without meeting means. I didn't know that. Lawyers and Homeowners Associations know that. My lawyer gave me several things to read.

"The Action without meeting the HO Assn not for profit act. Using the governing body or Board to take action without meeting if all of its members consent in writing that the action be taken. If the governing body resolves by unanimous decision to take action an explanation of the action must be posted at prominent places and explained at the next meeting."

"Taking action without a meeting, provided the directors unanimously, action can be taken by written consent of the directors without a meeting." And they give an example of how to do that. There is a form to use.

"action without meeting, the IL Statue 271B-8210 unless the articles of incorporation or by-laws provide otherwise action required or permitted by this xx may be taken without a meeting if the action is taken by all members of the Board. The action shall require evidence by one or more written consents describing the action, signed by each director and included in the minutes filed with the corporate record, reflecting the action taken.

Open Meeting Act – Unanimous written consent for action without a meeting is provided for in Corp code 7211B . Any action required or permitted taken by the Board may be taken without a meeting if all members of the Board individually or collectively consent in writing to that action. The written consent must be filed with the Board.

We went on our own, invested the money to get a ruling and we feel it pretty accurate. It is not a legal ruling, just a legal opinion. But it is the way that by-laws are supposed to be done. He told me by-laws, and there are more things in here, When Frank Landolina took back his vote, we were told that his vote counted legally. In fairness to Steve, the way that Frank took back his vote is not the way to do it. Frank would have to make a motion to do that, but Frank did have 30 days to change his vote. That is another thing I learned, all these by-laws that these guys change, they can change their vote 30 days later. But they have to make a motion to change that vote.

The last one is just on the by-laws. He told me this is how a by-law is done. A motion from someone on the Board, seconded by someone on the Board, a discussion by the homeowners and then a vote. That is how all by-laws are supposed to be changed in an open meeting.

So that is the information that is a gift to the Homeowners, not just for this Board but for future Boards as well. You just can't go in your book and start putting in new by-laws.

I have July 2011 and July 2011 by-laws one book has these by-laws and the same July 2011 has 5 new by-laws that I haven't even seen. I don't even know where those came from. To answer your concerns the POAC feels that all these new by-laws are in violation and should be thrown out.
Applause.

Dan Feely (DF) TMV2, I resigned from that Board and right after that we had a closed meeting and you took away activities from Henry. SA, that was done in executive so we are not going to discuss it. We are not here to discuss executive discussions in open meeting. DF, we would like to know why you demoted him from VP to director. Frank Landolina can't even get the minutes out. SA, that's not what happened at the time so your facts are already wrong and I am not going to discuss executive session. DF, I want to know your opinion. SA, I am not going to give you my opinion of executive session. HO, we all want to know. SA, then you ask Hank. I am not going to tell you.

Faye McDonald (FM), EV29, while I agree that the best way is to resolve issues and get along, however in a democracy when that does not happen there are other avenues to pursue. The homeowners have not been satisfied with how the association is being run. The Board is aware that the POAC on behalf of the homeowners have expressed concern about recent activities. They are related to the administration of the by-laws governing our association among other things. Therefore we are submitting for the record signed petitions representing way in excess of 20% of the homeowners in this park in support of our position. This is in accordance with our original and true by-laws. The action we request is that a special meeting be convened for a vote of the removal of the Chairman of the Board. Removal as director and Chairman of the Board. *Applause.* SA, submit it in the office.

Celeste Reed (CR), TMV190 one more question. The same prior Board member at a June POAC meeting stated that when he was getting the resolutions he had signed it; however what he had signed and the end result were not the same. So what he was stating was he thought he was signing one set of resolutions and because the signature page is not on the same page as the resolution, in actuality those resolutions were different. Can you talk about that? SA, we can, I met with Dan and showed Dan this whole situation. What happened was we asked for changes after the fact and they were not changed. They stayed the way he signed it. So by this Board member telling you it was changed after the fact is absolutely not true. DF, That is not true Steve. SA, yes it is. DF, Chuck came to my house and I told him, the third time he came to my house and I corrected three things and I said you fix this and I'll sign it and I made the mistake of signing it. It was not in there yet. SA, so you are saying you signed it before you wanted the changes? But you're telling people we changed it after you signed it? DF, I made a mistake, I signed it before it was all done. SA, so which way is it, are you blaming us or are you taking the blame for it? Because you are saying it both ways now. DF, I am saying that is the way things go around here. SA, it wasn't actually changed. You were telling everyone that it was changed after you signed and now you are saying you know it was supposed to be changed after you signed.

Rod Reed (RR), TMV190 – On the resolutions at the Board meeting when you discussed all the resolutions and you said after the meeting they would be available in the office. We went to the office after the meeting and they weren't available. It was 2 weeks later before I actually got them. In those resolutions there was nothing in there about changes made to the Appeals Committee. So nobody has heard anything about those changes yet they are in the new by-law book but that was never presented either. I am not trying to beat a dead horse but it is just another issue with the way these by-laws are being changed. We did what you said, you should have discussed those by-laws in the meeting but you said it would take too long; they are available in the office after the meeting. Immediately after the meeting they weren't available, the next weekend we came out here they weren't available. 2 weeks later Frank gave them to me and there is nothing in there about the changes to the appeals committee yet it is already in our new by-law I am wondering how that happened. SA, it was done after the last meeting. CR, you didn't present it to the people yet. SA, this is the first meeting CR, how can you put in something that shouldn't be there yet? SA we understand that now, we have heard it over the last couple months, we understand that now. It is not going to happen anymore. We understand how you feel. The problem is it was already done. *Loud protest.* HO, put it back the original by-laws. SA, I am not even going to put it to a vote to put it back to the original ones.

FM, 20% of the homeowners here want you to put it back. SA, that's fine, that is not to change them back. That's not what that petition was for. HO, we are not recognized. RR, actually Steve, that is really is what that petition is, what that brought that petition out. It is not to change those back but if the by-laws were never changed the way they were, that petition would have never happened. And we asked several times at meeting for answers and never got them and really, we are still not getting answers. SA, you got them over and over.

DB, I want to make a motion to change them back the way they were. *Applause.* SA, anyone else on a different subject?

Celeste Reed (CR), TMV190 I understand you went to a different lawyer, why did we change lawyers and why didn't our new lawyer advise you on the correct way to handle things? And with the last Board meeting where the POAC Chairman was going to be picked by the Board and Frank changed his vote. You still went to lawyer to make sure you did it right and he said you did, I think you should look for a new lawyer. This lawyer is directing our Board to do things improperly. SA, he does do Association law. It is not on his website. The Board thought it was in our best interest to get a new lawyer. CR, why was it in our best interests? DF, I was on the Board and they didn't ask me. HG, you were out of town. SA, it was the majority. CR, he was out of town, SA, he was there when we hired the lawyer. You are the one who came up with a list of questions for him and then Ok'd him. So don't go back now and say he wasn't the right lawyer. DF, I had never met him before. You three hired him, gave him a check. SA, after the Board OK'd it, the entire Board, all 5. DF, you never asked me. SA, you were at the meeting! DF, after you gave him a check. SA, no, you have it wrong, he got paid that day. He got hired that day. You were there. Don't say you didn't have anything to do with it because I am tired of hearing that. HG, you were there at the time Dan, I voted for it. I thought he was an association lawyer, now I understand he is not. We had problems with the other lawyer with Cindy and all of them and with the old Board. We wanted to get away from that lawyer for that reason. When I talked to the lawyer, I told him, I don't want to come to you and say what we do now to get out of this. I want to know what is right to be done. That is what I told our new lawyer and that's what I wanted to be done. So far as I know, what was sent to the lawyer has checked out. This new lawyer wasn't told everything that went on, that is all I have to say. The same xxx from the other lawyer.

Diane Andrews (DA), FC128. Do you Board members ever read our covenants and understand them? SA, sure. DA, then you should have known that you couldn't do this. SA, do what? DA, change the by-laws.

Rochelle FC194, does this new lawyer that we hired have any previous business with any of you Board members? SA, not with me. HO, how did you find this lawyer? SA, called around and ask, he doesn't advertise, he doesn't specialize in association law but he has been given it. He does as much association law as our old lawyer did. He has been by judges put in charge of association that have been having problems.

FM, why doesn't he have it on his website? SA, I don't know, you'd have to ask him Faye, I don't do his website. We went to him, we asked him if he did assn. law and he said yes. FM, there are lawyers that will say they can do anything. SA, then how is that our fault? We were told that he did. He hasn't advised on any law except the one where Dan resigned.

Rod Reed (RR), TMV190 At the meeting when you told us about the resolution and then all if a sudden the by-laws got changed anyway so the people were understanding that the by-laws weren't going to get changed and they got changed anyway. SA, just the one by-law. RR, and you told us that the lawyer told you that was proper or I forgot the circumstances but what I wanted to get to is my recommendation is to contact the lawyer that Dan went to because he is an association lawyer. I don't know if the money would be a big difference but this guy definitely knows his stuff about associations and I think we need a lawyer that knows. We don't expect you guys to know every little detail but you should be able to when you call a lawyer to get the correct information. Even what you are saying a lawyer told you about Frank changing his vote, that he couldn't do that, Dan just said he has 30 days to change his vote so the lawyer that you hired gave you incorrect information about a resolution and we all think it's pretty important that whoever our lawyer is knows about associations. SA, thank you.

Mary Landolina, A couple of years ago Dan Sennett you recommended we get a new lawyer because of the conflict of interest and you are the one that brought that up and. Association lawyer. You brought that up maybe you guys should all get together and talk about this instead of blaming each other. I think you can all do a good job. Can't we let them hash it out? Everybody has heard everybody's opinions right or wrong. There is no right and no wrong, let them work it out and do what they think is best. HO, they tried to remove the POAC chairman behind closed doors.

Jennifer Ledford FV176 . One thing I would like to say is we have an open house today and the people who are moving out here, it is either there seems to be no happy medium it's either you're for the POAC or you're for the Board. I want to say that what you did at the family fest on Sat was totally uncalled for and inappropriate and you have no right to. FM, what is going on here affects everyone in this park. J, it was a family day with children. Discussion ... we need to find a way that the POAC and the Board are not butting heads. We are all here for one reason. All of this xx is taking away from the beauty. And we are inviting people to come in here to want to live? We need to get this straightened out so this can be a happy environment. SA, I agree.

Sandy - I agree with you, I am so sick and tired of hearing people say, you must be on the POAC side because someone saw me talking to Dan. Dan happens to be a very nice person. We get along; we agree and disagree on many things. He can have his opinion and so can I. I am tired of people say, she is on the Board side because I saw her talking to Steve or Jean or Pam. We don't talk about these issues. I am the first one to say I don't want to talk about this. We talk about grand children or trees. We can still get along as neighbors and not have to discuss politics. And she is correct, as soon as you are seen talking to someone you are labeled. We are all supposed to work for SL. Can it be possible to make a rule that these petitions, these rude ignorant letters about POAC or the Board be off limits from the office area. Fun days it's for children, for families to have fun. Can that just be a no-go area? If you want to do petitions or letters, go walk around to your villages. But not here where children and families are at. Is that a possibility? HO, and not in the paper either. Cause that really downgrades us. SA, we can discuss it under new business.

HO, is anyone keeping an eye on that foreclosure where the office is? SA, yes, Chuck can discuss. CVP We know the bank that owns it, it is still in receivership. They have appointed a gentleman to take care of it. We have cut the grass twice to make it look better. The city was down there yesterday cutting grass. We still don't have a price on it, but that property sold in '06 for 288K. That was between Vandermolen and the person that lost it about a year ago. We are still looking at it. Judging the size in here, we could probably use a bigger building.

We are looking at the **property south of us, 141 ac**. I personally will probably never see it but I think we would not want anyone in our back yard. Now there is a big price difference between what the Board wants to pay and what the bank wants for it. Welch is completely out of it, bank downtown has it. Same thing with this property z financial was paying the taxes for 3 years, I was talking with them, they thought they owned it, now all of a sudden, it's James, Laughlin and LaSalle a big firm from Chicago, an international firm. All of the Board members except for Dennis was with a gentleman out here on July 8th. We took him around and made a big deal of showing him the city dump south of Dogwood. The EPA would not like them to know about that, but it will make the land cheaper for us. We are talking with them, we don't know if we are going to get it or not. **We put in a bid of 250K**, which the bank thought was too low. They lowered their asking price to 875K from 1.4M. The guys that we are talking to and we drove around for a couple hours thinks that .5M will take it, and to try to make us act a little faster they said they were talking to Motor Cross guys about it. That's all we need. That will never happen because we are in the city, we know all the

Village people pretty well, the commissioner was out here for the zoning thing, two people that live in shadow lakes are on the zoning board that will never happen, and it is inside the city limits. The problem is this Jones, Lang and LaSalle approached the county first for a forest preserve. If we lose that to forest preserve, we would have no control over it. Secondly they have approached the city, who is completely broke if they wanted to buy it. City would probably like to have water rights somewhere because they have no beaches. So we are the buyer of third resort. We are working on it. If this comes up, we hope to be working on that because we would just hate for someone else to have it. I don't know how anyone else thinks, it might be a lot of money to spend but it would be nice to have our abutting property just to keep.

UHO, I want to thank Chuck, you just gave the homeowners the kind of information we are looking for. What is actually going on behind the scenes. I appreciate it. *Applause*

Approval of minutes

April 23rd Open Board Meeting

FL motions to approve minutes of April 23, 2011 Open Board Meeting. CVP seconds. All in Favor? Aye
April 23, 2011 Open Board Meeting **APPROVED**.

June 25th Open Board Meeting

FL motions to approve minutes of June 25th Open Board Meeting. CVP seconds. All in Favor? Aye
June 25th Open Board Meeting **APPROVED**.

June 25th Executive Session Meeting

FL motions to approve minutes of June 25th Executive Session Meeting. CVP seconds. All in Favor? Aye
June 25th Executive Session Meeting **APPROVED**.

July 2nd Executive Session Meeting

FL motions to approve minutes of July 2nd Executive Session Meeting. HG seconds. All in Favor? Aye
July 2nd Executive Session Meeting **APPROVED**.

July 9th Executive Session Meeting
 FL motions to approve minutes of July 9th Executive Session Meeting. HG seconds. All in Favor? Aye
 July 9th Executive Session Meeting **APPROVED**.

Chairman's report

Any one that has questions of any kind, you can email me you can call. A lot of you probably know where I live, stop by. The office is always open; you can get any information you need. We are coming down to the end of the year, it went pretty well. Last Saturday turned out really well. And we are having the open house today hoping to get a lot of people.

CVP - We had a total of 14 places sold, they are closing on 1 yesterday it was a short sale over in FV and remember you might not want to see this traffic in here a couple times a year but it helps our bottom line in the dues. If we have about 21 or 22 foreclosures, that is not bringing us in a dime. We have liens on these places. So if it sells, we will get our money but some of them don't sell for 2-3 years. Money we are not collecting. We have one person that moved out of here 5 years ago, we just got him through the court system 2 days ago. We may not recover anything there; it depends on what they sell it for. If we can get one sold, it is bringing money in for the association.

SA, that is all I have other than these letters that are going out are bad. I don't know who is doing them, I wish they would stop. A gentleman over here has made a good point. One has made it to the newspaper and it is bad for everyone. Not just the Board or POAC. If we can come to some kind of agreement that would be fantastic.

Frank Landolina, Architectural and Security

Architectural Report since June 25.

Village / Lot	Project	Date Approved	Date Denied	Date to Assn.	Date Started	Date Completed
FC276	Shed			6/30/2011		
FC19	Trellis Roof			7/21/2011	9/X/11	
FV218	Deck, Enclosed Porch					
EV30	Repair Deck			7/23/2011		
EV41	Concrete Drive			8/2/2011		
FV40	Siding, Insulation					
FV210	Shed					
FV17/18	Shed	X		8/17/2011	8/17/2011	
FC61	Replace Garage Door	X		8/22/2011	8/22/2011	
FC182	Sea Wall, Asphalt Drive	X		8/2/2011	8/26/2011	

Security Report

Date	Lot	Description
6/27/2011	TMV9	Believes someone tried to steal golf cart. She had yellow tape around it and it was cut.
7/4/2011	TMV132	Propane tank stolen.
7/4/2011	EV51	Boat cover stolen.
7/12-13/2011	FV83	Tires slashed on SUV
7/15/2011	na	Movie screen was cut
7/16/2011	na	4 young kids seen driving in reckless manner
7/20/2011	EV10	Property owner reported that car was broken into. Police were called. Car was parked in parking area at 4A. All contents of purse taken.
7/23/2011	FV	Property owner reported someone was using her paddle boat during the week.

Chuck Van Patter Treasurer's Report, Audit Committee, Public Relations, Fossil Footprints, Fishing Club, and Suggestion Box

Treasurer's Report as of August 26, 2011

Vehicle Replacement	\$23,305.00	Did not use vehicle reserve for Golf Cart.
Long Term Reserve	\$324,613.00	
Infrastructure Reserve	\$111,874.00	
Operating CD 1	\$92,196.00	To replenish checking acct when needed.
Operating CD 2		
Total CDs	\$528,683.00	4 CDs at different banks
Checking Account	\$187,806.00	
Accounts Receivable		
Pre-Paid Dues		
Capital Expenses		

20 people on the payroll, will go down after this week. We will only have 2 full time employees, our maintenance people. Office will be 2 people, part time. I have the figures if anyone wants to look at them. Everything is running behind last year. Admin 30K. maint payroll 67K, pool 1,500, activities 14K, security 11K, payroll only.

Community Relations

June 28th owner of Countryside Village complained about that used to be Zach's garage they quit junking cars out there now. The city came in and told them they didn't have the right permits, they are gone. Per the state codes, we know the Mayor dies, they will have a general election on April 9th 2013 for a new mayor. City spend 1.3M for 2 weeks, mostly on waste water plant, 1 police officer was hired. Berkotts got a variance. We don't want to chase our only grocery store out of town. Bill are 389K. They passed a couple resolutions for surplus property.

July 26th, they had an audit. (We talked about an audit here, about 18K. Right now we are going with the compilation. We should probably go every 5 years into full audit. Our new audit committee has come up with a lot of new paperwork for us and I think everything is going to be right on track. Appointment of commissioner for finance. When the mayor this person was chairman of the finance and he moved up to mayor so now they have another person who took his place. There was a teen, Austin Macy recognized by the Board. He is going to rural championship of tumbling in England in Nov. City talks about annexing 180 ac to the city. They are talking to Holiday Inn and Taco Bell trying to locate here. Police chief reports 83 misdemeanors, 18 felonies and 1 arrest at fest. City spends 1.4M, most on treatment plant. Payroll 91K, sewer lines are in place under 155 for advancement of the city. 8 residents on water line right now. Cost city 1.4M. Tootsie Roll drive 16-18 Sept. Welcome center on Rte 66. Went to executive session. Spent 258K, payroll 63K. Purchased a new crown vic. They turned in 4 old police cars and got 330K. All from drug money. They are transferring electronics from the old cars so no money there. City was honored for taking DUI drivers off the road. They got a plaque from the State. High speed rail coming in 2 years, 110mph through town. Just north of Berkotts they are going to make a side rail so the slower trains can pull off so that might make that intersection more congested in the future. (HO complaining about 129 bridge being out with no notice to residents.) IL Chief of Police presented plaque to city for accreditation. No commissioner advance proposal to remove fence at retention pond. Spent 600K on that and with low water table after 2 ft down, it filled with water. IDOT having high speed rail meeting with city, details will be in paper. Motor tax to city at 286K, they are talking about spending it on Novy Road. I don't think they will get to it this year. You might see them out there patching. Resurfacing is on their plan and now they found the money for it. Ordinance regarding operation of golf carts on city streets was tabled. Carts would need brake lights, may waive turn signals. (Lots of chatter – HO wants to know if it is because mayor sells golf carts?) The mayor is trying to get the town to grow, they realize they have a big asset out here, there is a lot of recreation in this town. He would personally like to see residents be able to go buy a loaf of bread on their golf cart. City spends 810K, payroll 61K. Lightning hit water tower again luckily the two other towers were full so here was no boil order. And the town had just bought parts, they knew where to buy them so everything was up and running in about 2 hours. 1 full time police officer was hired, will not cost anything since we were paying overtime, 1 part time officer hired. They both have previous experience so no training \$\$\$. BP is burying a gas tank that sat for 3 years and think they are going ahead with car wash.

HO suggests city put a train crossover before the light for easier access to Berkotts.

Fossil Footprints

Coming out on Oct 1. Water shut off schedule will be included.

Fishing Club

No report.

Audit Report

We have a new audit team member, Mary Milnet from FV and Wayne who has been working and coming up with spreadsheets from FC. If you have any questions, their names will be posted and I hope we will continue to improve our finances. I don't think we've ever had a problem we are trying to get it out in the open a little more.

For the open house today, it wanted to say a thanks Faye, Sue, Char and Sandy for gate work and all the volunteers, Sandy and Wayne, Bill and Edie, John and Joanne, Rich and Barb, Celeste, Randy Shirley, Dennis, and Pam, all pitched in.

Suggestion Box

No report.

Hank Genteman for Maintenance

We do have a couple of fellows that are helping us out for community service. We are trying to get as much done as possible. We had Braidwood out to clean out our sewer pump stations, we have 12 of them. I understand they should be cleaned out once every year or two at the most, far as I know, they haven't been cleaned out in the last 10 years. They gave us a very good price; if we had a pump company out here they would charge about \$375 per hour. All 12 units cost \$1221. We really saved a lot of money. The city is helping us when we need them.

We have some bathroom problems here in the women's washroom. The handles have been broken from the toilets, had to replace 4 this year. and the sinks are coming off the wall. I am told parents are putting children on the sinks while they are combing their hair. The yare not made for that, we have tightened up. I am trying to get some legs for them.

We had to buy a weed whacker and our good lawn mower went out. We had to buy a push mower. We have to buy commercial, weed whacker is \$300 and Honda push mower is \$400.

We painted the hall and got the map up. We power washed our ramp. We have carpenter ants it is rotting out from being painted. My feelings on painting preserved wood, it doesn't stand up. Next year it will have to be replaced and we have some concrete work that needs to be done.

Nature trail was done. We had some complaints with the rain causing ruts. We had some gravel donated to us. Some driveways were put in and they had some real nice stones for us, we had them dump them by the nature trail and we are going to have them spread on the trail. Our blacktopping this year the road coming in, we Hole in the Wall fixed, lighthouse cover fixed there was a real bad spot. It is not our property but we fixed it since lighthouse cove is part of our association. Cedar lane was chipped and sealed. It hadn't been touched in 7 years. We don't have the final bill but we spent so far \$42,500. I think there will be another 10K.

We had a couple water repairs. We sealed the basketball court. Painted new lines on it. The volleyball court we had some beetle like wasp making nests in the sand. We spent a lot of money on chemicals and Mike was raking it 2 and 3 times a day. *Applause*.

New posts for volley ball and safety stuff that was all taken from the shuffleboard. Mike is doing a great job for us. The horseshoe pit was done. Randy was out here. And during a storm we had a big branch come down, Randy climbed up the tree for us. And then I found out he shouldn't be doing that, I got hollered at by his wife. He did help us get it down and get rid of it. He has been working doing odds and ends for us. At the children's fest he did a great job. I am waiting to get some more funnel cake. And all the people that helped out at the summer fest did a terrific job.

The tree out there, by the golf cart bridge taking care of, it is all rotted out and it has to come down. The only thing holding it up is that big tree; I think they are both going to have to come down. I hate to get rid of them but we have to. We have another three out here by the pool that are half dead. I think we should cut them down. We are going to have to do the shoreline. We will get a price in it for next year. It is in bad shape. Once we get those trees out, it is such a straight drop. I don't know if we can do something to slant it or something there. We can't do the shoreline with a straight drop; it is about 7-8 ft high and straight down.

Our deck, we are going to try to get the paint off of it. It is starting to rot the wood and to replace you are talking 40-50K. We are going try to get it sandblasted, or hire someone with sanders. We have to get the paint off. Can't power wash it too hard because it will mess up the wood. Preserved wood shouldn't be painted. It doesn't get to dry out. We used to power wash it and seal it every year. HO, does that deck get used; maybe we can just have a small deck there? HG, that gets used all the time.

Have Tom and Jamie cleaning up our view so we can see the lake. *Applause* If I missed anyone I am sorry, the girls are doing a great job on the gates. My favorite one over there, just cleaned up the beach. She volunteers a lot of her time. Thank you.

Dennis Beauregard for Activities

I want to thank hank for mentioning all the girls that do the gates Thank all the girls again and for getting ready for today. I also want to mention for today the family fest, Jennifer and her husband got volunteers to help out. They got Board members and Board members wives. Jennifer got her husband standing up cooking all day. Part timers come in and volunteer and the workers volunteer. Jennifer did a wonderful job organizing all this. We still have tables avail for the flea market if anyone wants one go to the office. If anyone wants to sell anything that is the palce to do it. We are going to have a bonfire and volley ball. Can I make one recommendation because the park area, volleyball, shuffleboard looks so beautiful I don't think people know there is equipment available. Is there any way we can we have a sign that explains equipment is available for checkout in the clubhouse? ?? we can put a sign up.

Dan Sennett, POAC

The last POAC meeting we had we discussed the **budget and it was approved and passed**. I want to thank the POAC for working on that. Two comments I have. We did send the budget on to the Board without an increase but it was recommended even though we didn't since we haven't had an increase in a long time to start thinking about it. Possibly a small incase and doing it over 5 years towards something instead of the reserve all the time waiting for something to happen. The recommendation is to look at our infrastructure and look at what we really need improvements on the 5 year plan instead of adding it to our reserves. Just a place to start. We have already done the budget without an increase but that doesn't mean we can't have one. We are balanced where we are at, but if we do decide, 1 or 2% but people felt that was ok if it was needed and went towards our improvements. The POAC is not opposed to that increase but we felt that was up to the Board.

A couple of other recommendations to go with the budget. One of the concerns is that **we don't lose security over the winter time**. Maybe not as much as we have in summer, but something in the winter. There was a concern about the increase in our maintenance budget and it has blown up to a concerned level. This past one we increased it another 15K. We might want to start looking at how we might utilize volunteers and community service people. We are already up to 9 maintenance employees doing a variety of jobs. One of the recommendations was we do have 2 full time maint people, they need to also start taking on common jobs too. Our budget for maintenance we are recommending a 15K increase and we know we had to increase it because now we are doing our lawn, nothing to take away from the 2 people doing the lawns because we are definitely saving money on that end so that is a good use of money. We are getting a little too specialized people felt with these jobs. Let's pool our people and pool our money to see exactly where we can look at that. That is something Hank and Roy, the POAC Main rep can do. Hank is always open to new ideas for that too.

We doubled the money to spend on roads; we thought that is something the people really wanted to spend our money on. It was pointed out that in some areas, roads were just laid down so homes could be sold and they were not done well, if we don't do something we are just going to be adding money every year to fix the roads.

HG, there is not enough base on the roads, from the bridge to the pond. I understand that when they built it, they just leveled it off and chopped and sealed. It is always breaking up. We had to patch this year, 28 holes in the road. Dan Feely went out there and checked for me. Dan is not on the Board anymore but he said he would help me and I really appreciated that.

DS so the roads are a priority and talking with Hank and the POAC we don't want to piece meal the place anymore. When Hank decides, we are going to re-do the roads the right way so we don't have to do it again. It may take a while to get to everyone's area but that is the goal right now. To use any money that is left over when we have it, geared for the roads.

Lastly, **they really wanted us to pay attention to the 5 year plan, to make it a little more concrete** and not the same verbiage every year. We have a new board now, so we hope they will look at the 5 year plan and focus on some of those things.

HG, we have quite a few things we need to add to it.

DS, we are comfortable with whatever direction they go on the budget, but we are passing it on to them. I don't know exactly what the game plan is for passing it on to you guys.

The last thing I want to say is, I know one of the things people have talked about is the discussion on **Tier changes** and I did talk to Steve, he has guaranteed me, correct Steve that is **not a discussion that is going on?** SA, not. That doesn't mean no increase in dues, just no tier changes. We have gone 7 years without an increase. DS, That was the major thing right now, the budget. Will you have another meeting on this? SA, we will bring it up under new business. We always have one in Sept so there will be another one.

Old business

CVP, reading a note from a homeowner. "I just wanted to comment on the **office staff**. I came in the other day to get my stickers and the lady working was very pleasant. Something I was not expecting due to the way I was treated in the past. Finally going to the office was a pleasure and I didn't feel like I was nuisancing somebody or putting somebody out. I can't remember her name but great job. Homeowners should feel that they are wanted in the office". EV39 *Applause*

HO, that is not just one person that does a good job, they all do a good job.

New Business

DB, I would like to make a motion to change back the by-laws based on the recommendation of Attorney Mueller that it wasn't done right, according to Hoyle. Let's start over again. *Applause*

SA, before we go any further might I make a suggestion? I wouldn't mind tabling this for a special meeting only because I would like to talk to another attorney besides ours on this. And get a second opinion. I know what our lawyer said and I know what your attorney said. Would you mind tabling it for a while? HO's NO. SA, I am asking the Board. Boos. HO, I think the Board knows what our feelings are. SA, I am not saying we are not doing it, I would just like to table it and get another opinion from another attorney on it. They are saying opposite things, I would like to get a third one and actually see. DS, before we do that, who is going to pay for that lawyer. HO, the people that changed it should pay. DS, we paid for this lawyer. POAC paid. We are OK with that, we needed to do that. If we need to get another lawyer, I don't know why we have to keep paying on our end. HO, they shouldn't have done it. DS, we felt it was a good use of the money that we raise. HO, you should just rescind it and start over. Everybody wants you to. HO, do that the people want. SA, make the motion. **DB, The motion I just made, I concur with Atty. Mueller on changing the by-laws back the way they were. HG, I second it.** SA, you want to confer with him? DB, with his recommendations, that we should start over.

HO, when by-laws are changed do you take a vote from each homeowner? When any of you Board members want to change a by-law, we the people here should be sent a notice and voted on. DS, in fairness to this Board and all the Boards in the past, it was agreed that the Board could change the by-laws, but something they might want to keep in mind that in over 95% of homeowner associations, the homeowners' are the ones who change the by-laws, it is done once a year at a special homeowners meeting, that is when by-law changes are made. This lawyer and I researched that. In fairness to the Board, it is in our by-laws that the Board has the right to change them. With all the comments today, it really does become more professional to stop with all the name calling and get the facts first and that's where it's at. They can change the by-law, but they have to follow the by-laws that we create. RR, didn't they just hold a Board meeting prior to the changes? If there are by-laws that you think that need to be changed as a Board, instead of just changing them, it should never be an emergency to change a by-law and there is no need to do it behind closed doors. Discuss what the changes are in a meeting and at least get input from people to help base your decision before making the changes. DB, That is the way it is supposed to be done. The changes made you bring it to the meeting, discuss with people and then make our ruling.

SA, so there is a motion on the table? Second, **HG, I seconded.** SA, take a roll call. Dennis, Yes, Steve, I'm last, Chuck, I would say just table it and we'll take a look at it. I don't think you have to change off of it. FL Chuck it's yes or no. SA, it's yes or no, or abstain. Roy, maybe you can put it on the Board that ... FL, NO SA, motion carried. You voted yes, right Chuck, motion carried. It didn't have to be by-laws it's a rule change. DF, how was the vote? I didn't hear. SA, it passed. He said yes, yes, **Chuck said yes. It only takes 3, it's not a by-law change.**

MOTION to change back the by-laws based on the recommendation of Attorney Mueller APPROVED 3 YES, 2 DID NOT VOTE

RR, so the by-laws are changed back to the way they were? SA, they are going back. FL, which by-laws are affected. SA, I guess all of them.

CVP, Suggestion has been made about an **outside water faucet**. Hank is looking into it. And maybe something to move the air **in the pavilion** to keep mosquitoes away, maybe a **fan**. if I have the Chairman's permission to look into it.

We have asked a person inside the gates that will not charge us anything to **look into that low bridge over there in FV**. Just to get an idea what it might cost. I'd like to blow it up. The police and fire depts. Said we can. There are 54 people on that channel that during high water cannot use the lakes. We have to look into that. HO, we can't get the weed boat in there to cut the weeds either. Roy, unless the covenants have been changes, you

are not supposed to have a pontoon, no one ever enforced it. I live there, I know what it's like, you have to get down on your hands and knees. The engineer is going to look at it to see if they can lift it up a little bit or see what options are.

I think someone had a good suggestion, I think we should have **no politics around the amenity center that would be nice**. Did you want to make a motion on that Chuck? I don't want to make a motion I just want to say keep the politics out of it. FL, is that the pavilion and amenity center? SA, make the motion how you want it to be written. CVP, I think we should just take a minute to look into it. I'll bring it up next time. I don't think that should be happening. Tabled. HO, what do you mean by politics, you mean walking around with a petition? CVP, I think you can talk to people I just don't know that you should show petitions. Especially at the fun fair, there were kids. I will re-word it and throw it in.

This comes from the Chicago Trib. "Our by-laws state we should have 5 Board members. Currently we have only 4 because nobody else wants to serve. It is possible that 3 of the 4 members may not run for re-election. What happens? One of 2 situations will occur. If the association is without leadership to collect funds and pay bills a union owner or possibly the management company may seek the appointment of a receiver to operate the association. A receiver is appointed if the Board is deadlocked or the Board members have resigned or choose not to run. This can be an expensive undertaking because the association will have to pay the receivers fees as well as regular assessments. The second alternative is when the owners consider selling the property. 21% of this country is in Associations because municipalities cannot afford the roads, the pools, the parks. 50% of these associations are in trouble mainly because of finance or exactly what we have seen. I have some friends that live down at Lake Thunderbird and we get all their papers 7 people on their board and they have only 3. In Galena 7K acres 10M homes and they don't have a full Board. It is starting to happen and if you look at city councils or school boards. I think we really should try to stop this in-fighting cause I don't want it to happen to us. Thank you. Applause.

Kirk starts discussion on radar guns ...certification, calibration. ... lots of chatter
SA, we will look into it. We will check with Braidwood on it. ...

HO brings up yield sign on a main street on Largemouth Lane, that she says is against rules of the road. ... HO, attached to a tree, not on a sign post. FV114.

SA, Makes a motion for September 24th 9:00 am special budget meeting, can I have a second on that? HG seconds, All if favor, AYE.
MOTION for Special Budget Meeting on September 24th 9:00 AM APPROVED.

FL wants to hire someone to do executive minutes. How much can we pay them? I'd like to have the Board approve that? HG, I have a problem with that, you are going to have someone outside this Board that knows everything that is going on? I don't think that is right. SA, that is an issue. The secretary should write executive meetings up. FL, I am looking to find someone out of this area. Do I have a second? NO SECOND.

HO brings up letters that have been going around, more discussion ...

FL motions to adjourn, CVP seconds, all in favor? Aye. MEETING ADJOURNED 10:10 AM

Minutes of the Board of Directors Regular Meeting, August 27, 2011, submitted by the Recording Secretary Pam Santos
Approved by Secretary of the Association on the Board of Directors, Frank Landolina