

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS MINUTES
MARCH 17, 2012**

APPROVED

2.0 Call to Order – President Kevin Kavanaugh called the regular monthly meeting of the Apple Canyon Lake Property Owners Association (ACLPOA) to order at 9:04 a.m. at the Apple Canyon Lake Clubhouse, Saturday, March 17, 2012.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following directors in attendance: Mr. Bob Ballenger, Ms. Marge Clark, Mr. Kevin Kavanaugh, Mr. Chuck Larsen, Ms. Debra McNamee, Mr. Rick Paulson and Mr. Erin Winter. Mr. Duane Suits and Mr. Josh Cocagne were absent. General Manager Paula Lange and Recording Secretary Dottie Gricius were in attendance.

4.0 Record/Adopt February 18, 2012 BOD Minutes – Bob Ballenger moved, Marge Clark seconded, to “Adopt the February 18, 2012 minutes as presented.” The motion carried with Chuck Larsen abstaining.

5.0 Treasurer’s Report – No Treasurer’s report was given. Honkamp has not presented the audit report but it will be presented at the April 2012 meeting.

6.0 Committee Reports by Board Liaison and/or Committee Chair –

Conservation – Erin Winter reported that the March meeting did not have a quorum and the suggestion was made that those who cannot attend a meeting notify the chair; a member that misses a lot of meetings might want to resign so a quorum could be met. Regarding the Lake Monitoring Committee, Rich Krasula and Randy Stowe considered changing the number of sample sites by taking four samples from the main parts of the lake and three from the streams going into the lake. Erin announced a new Resource Conservationist: Michael Malon who will work with Rick Krasula on Lake Monitoring. The Trail Committee Cleanup date was changed to April 28th with alternate date May 5th.

Legal – Marge Clark had nothing to report but suggested conference call capabilities for members not able to attend a meeting; just call ahead to set up a phone conference so a quorum could be met.

Campground – Chuck Larsen stated that the Campground Committee will be meeting over the last weekend in March. GM Lange commented that once the roads are open, then gravel could be hauled to the campground.

Architectural Environment and Control – Rick Paulson reported that the AECC met and is working on the Building Codes to correlate with the new Covenants. They approved two lot combinations which were sent to the Board.

Pool – Doug Vandigo reported work on the document and the pool plans is progressing. The next step is to get the plans to the contractors, fire department and to coordinate a meeting with the AECC to review the plans and recommendations. GM Lange stated the pre-bid and bid meeting dates are set and has been working on the ADA lift and the State’s changes as well as

other administrative items. President Kavanaugh noted a lot of good news such as the committee's quick progress and inclusion of Pool Committee members from years past. **Golf** – GM Lange was at the committee meeting and stated they agreed to donate \$5,000 from their designated funds for the Bunker Project and \$1,100 toward the monolithic decorative stone used at holes numbers 5 and 6. They set dates for their Big Cup fundraiser,

7.0 President's Report – Kevin Kavanaugh's written report was on the meeting table and that report will be in the *Apple Core*. This year, he cautioned, a number of docks came loose and maintenance may not have corrected all of those yet and cautioned there are a number of trees and lumber in the lake. Members were asked to read the candidate biographies in the *Apple Core* and to be ready to vote for those who could represent members.

8.0 General Manager's Report – Paula Lange's report answered multiple questions fielded by the office management team submitted by property owners over the past couple of months. The report began with the statistics which compared the number of property owners that did not pay or were late with the 2011 assessments (350) and for 2012 there were 78. The office staff spent hours on phone calls explaining reasons for the increase and what is involved with not paying on time or at all. Paula explained that the Board did not profit from the assessment change and stated four fundamental reasons for the assessment increase: 1) In 2011, the \$250 assessment represented only 30% of the revenue to operate the Association, 2) In the past 14 years the Association experienced growth with rising costs, 3) Fees placed an unfair burden on a few property owners, and 4) The Association was faced with irreparable issues such as the 40-year old pool. An Illinois State law, called CICAA, requires the Association to fund its Operations, its Reserve and Replacement Accounts and Capital Improvements annually. Answering why build a pool now: the pool is 40+ years old and leaking (wasting) 100,000 gallons of water each year and is not ADA compliant. This is an amenity that could become a detriment creating diminishing property values if not improved. The Owner Amenity Registration Fee (OARF) is explained in ACL's Covenants and Restated Covenants in Article VI, Section 1 and in Article V, Sect. 3(e) which gives the Board authority to charge an Owner Amenity Registration Fee; and the late fee was reduced to \$125 a couple of years ago. The Association has to pay its bills on time and late payments could compromise the ACL's cash flow. Why property owners did not know about the March 1 assessment deadline was a mystery. The *Apple Core* is the legal notification to all property owners as authorized by CICAA and the Governing Documents encourage attendance at meetings for important information which is posted on the website. A change of address should be given to the office. Other reported items included: new seasonal rental boats availability and installation of new "Easy Docks". The pool project is on schedule and the current pool closes August 6th. The Streambank project on the Golf Course is completed and she thanked everyone for the prayers, food, cards, phone calls and concern for Nick.

President Kavanaugh gave a big thanks to the office staff for responding to the questions. He also addressed the mistaken issue of assessments affecting property values.

9.0 Property Owner Comment – Marcy Stanger updated everyone on the Jo Carroll Energy Annual Meeting breakfast and the meeting dates and times and the Relay for Life dinner.

-Henry Doden talked about a point-of-law such as the Covenants which is a contract. He stated what that means; it does not mention late fees. On the OARF, he has a difficult time understanding where that meets the requirements of CICA. He thought that and contractor registrations and fees could be ruled illegal.

-President Kavanaugh stated he has been on the Board going on six years and Henry probably attends more meeting than anyone. For the past 3 1/2 years the Board and members agonized over things and looked to ACL counsel. The Association cannot run on individual's opinions; the Board runs on skilled legal people to ensure against jeopardizing the Association and property owner (PO) interests. This Board has been more transparent by asking for responses after communicating plans and it takes the PO responses collectively and tries to make the best decision. Henry was thanked for bringing some good ideas to the Board.

-Regarding the locked electric boxes, Henry thought that all fire departments have lock cutters.
-Fred Pfeiffer plugged an economic symposium he is holding after the next Board meeting and stated he is concerned with what is happening in this country.

-Jim Craig asked to open the Campground early due to the good weather. Jim explained what he investigated.

-Dan Sutter stated that if campground members want it open, the amenities should be open for owners. He stated that property values dropped and some empty lots have been abandoned; the trails are closed even for walking. Some friends have no interest coming out here because of the discrepancies of ACL Rules and Regulations. He believed the Board should solicit opinions of members before contacting legal. He talked with Josh Cocagne about loud engine exhaust noise because he did not see a PO survey taken on the noise. He asked if there is concern about the liability of the Marina selling alcoholic drinks to boaters. He stated the maintenance department and others do such a fantastic job out here.

-Rich Miranda commented that some committee members and the Board spend a lot of hours putting the Rules and Regulations together which would not be needed if everyone used common sense, too many want to do their own thing. Regarding the trails and campground – the Campground is closed due to the Township closing the roads until May 9th and anyone concerned with the Rules & Regs should join the committee.

-GM Lange stated the trails are always closed this time of year because of being too soft; until the ground firms up, the trails will stay closed. The Campground is closed because no one anticipated this weather and maintenance has the whole Association to get ready (Golf Course, building docks, etc.) If the Campground could open next weekend it will open. Deb McNamee stated the untold hours and \$40,000 put into fixing the trails which are in the best shape ever. ATV use now could cause damage. Paula will put something on the website to notify POs when sections of the trails are closed during the season.

-Bob Stanger commended the Board for digging down and approving the Budget Committee's recommendations - which were difficult for the members. He works on the NW Illinois Area Agency on Aging from Jo Daviess County and PO member John Asta is now working on their board.

-Henry Doden noticed that vacant properties have an increased assessment. President Kavanaugh has a meeting with the County Assessor and hopefully can let the members know more.

-Marge Clark stated that the appraisers incorrectly assessed some lake-view lots as lake-front lots.

-President Kavanaugh remarked that issues were raised to the County on why there are anomalies; he suggested that ACL may help the county find a better program that works out here.

-Doug Vandigo noted that 20 years ago amenities were in bad shape and now amenities are in much better shape. Without the updated amenities members could not sell their properties.

-Bob Stanger commented that Jo Daviess County has a web site with assessments on it.

10.0 Old Business

10.1 Adopt the Tellers Committee Guidelines - President Kavanaugh read the narrative. Marge Clark moved, Rick Paulson seconded, to “Adopt the Tellers Committee guidelines as presented in the attachment.” Marge Clark noted that these guidelines were updated to conform with the Restated Covenants and to CICAA. The motion carried unanimously.

11.0 New Business

11.1 Committee Changes via Motion of Consent – President Kavanaugh read the narrative. Chuck Larsen moved, Erin Winter seconded, to “To appoint John Finn to the Editorial Review Committee and to accept the resignation of Marcy Stanger from the Editorial Review Committee and Robert Stanger from the Editorial Review Committee.” The motion carried unanimously.

11.2 Re-Schedule Start Time for May 19, 2012 Board of Directors Meeting - President Kavanaugh read the narrative. Bob Ballenger moved, Rick Paulson seconded, to “Schedule a start time of 1:00 p.m. for the May 19, 2012 ACLPOA Board of Directors Meeting.” A question posed was whether this would need to come up every year. Bob Ballenger moved and Rick Paulson seconded, to amend the motion to read: “In future years when monthly Board meetings are in conjunction with the Triathlon, scheduled meeting time will be 1:00 p.m.” The motion carried unanimously.

11.3 Lot Combination Request – President Kavanaugh read the narrative. Bob Ballenger moved, Rick Paulson seconded, to “Approve Lot Combination for Lot 05, 06 and 07 on Fairway.” Marge Clark asked whether the property owners know of the County’s stance (because of the tax break) about separating combined lots in the future. GM Lange talked to the Rosenbergs on this issue. Fred Pfeiffer suggested creating a permanent affidavit stating the lots will forever be combined. The combination must go to the County Recorder’s office to receive a tax break. President Kavanaugh has an upcoming meeting and will try to get something in writing so that could be published. The motion carried unanimously.

11.4 Lot Combination Request – President Kavanaugh read the narrative. Chuck Larsen moved, Bob Ballenger seconded, to “Approve Lot Combination for Lots 11 & 12 in Fairway.” GM Lange will talk to the Rutkowskis about the County’s request of not approving the separation of lots due to the county tax break. The motion carried unanimously.

11.5 Boat Rental Rate Program for 2012 Season – President Kavanaugh read the narrative. Rick Paulson motioned and Erin Winter seconded, to “Approve the Boat Rental Rate Program as Attached.” GM Lange made a change where it stated “Full Day = 8 hours-flexible” to read: “Full Day = 8 hours - 6 a.m. to 2 p.m. or 11 a.m. to 7 p.m.” The motion carried unanimously.

11.6 Request for Use of Designated Funds – President Kavanaugh read the narrative. Chuck Larsen moved, Rick Paulson seconded, to “Approve the use of Designated Funds from the Golf Committee account in the Amount of \$1,100 for the Streambank Project – Holes #5 and 6.” The motion carried unanimously.

11.7 Presentation by Ted Petitgout – Easy Docks - With Mr. Petitgout not in attendance, a motion was made by Marge Clark and seconded by Bob Ballenger, to “Strike agenda item 11.7 from the Agenda.” The motion carried unanimously.

12.0 Other

12.1 Recreation Committee - GM Lange explained the reason for a change of location for the Ice Cream Social and Craft Fair (pool construction vehicles). Chuck Larsen moved, Marge Clark seconded, to “Approve the change of location for the 2012 Ice Cream Social and Craft Fair to the Apple River Event Center.” The motion carried unanimously.

Adjournment – Bob Ballenger moved to adjourn at 10:25 a.m.

Recording Secretary Dottie Gricius

President Kevin Kavanaugh

Date

Corporate Secretary Charles Larsen