

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION
SPECIAL BOARD OF DIRECTORS MEETING
JUNE 29, 2013**

APPROVED

2.0 Call to Order – President Deb McNamee called a special meeting of the Apple Canyon Lake Property Owners Association (ACLPOA) to order at 8:05 a.m. at the Apple Canyon Lake Clubhouse, Saturday, June 29, 2013.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following directors in attendance: Ms. Marge Clark, Mr. Josh Cocagne, Mr. Kevin Kavanaugh, Mr. Chuck Larsen, Mr. Rick Paulson, Mr. Erin Winter, and Mr. Mike Harris. Mr. Bob Ballenger was absent. There was no General Manager in attendance. Recording Secretary Kandee Haertel was in attendance.

3.0 Approve/Adopt June 22, 2013 Minutes – Rick Paulson moved, with a second by Erin Winter, to approve the minutes of the June 22, 2013 meeting as presented. There was no discussion and the voice vote was unanimous.

4.0 Property Owner Comments

Bernadette Hogan, 11-169 – She requested that the adult swim at the pool be reinstated to ten minutes every hour. She also stated that it seemed that 10 pool passes per employee was an excessive number of passes. President McNamee stated that the Board will investigate this.

George Drogosz, 8-48 – He spoke regarding the recent management changes. He felt that the Board should consider hiring from within. He specifically recommended Mark Krueger from the Maintenance Department. He commended Mark specifically on his work with the Trails Committee. He also asked if the two employees who are no longer with ACL will be receiving unemployment benefits. President McNamee stated that, by law, personnel matters cannot be discussed.

Linda Kusnierz, 9-45 – She complimented the Board for working so quickly on management matters just faced. She suggested that the Board should look outside ACL for a General Manager because she doesn't want anyone with an agenda to be hired.

Jason Pavlak – 11-275 – He spoke about an announcement on Facebook regarding the trails system that stated there would be no ATV driving on county roads. He stated this takes away trail access for those living in the Fairway subdivision. He requested that the Association look into this and work with government to find a variance to this ruling or find a trail access to grant Fairway subdivision property owners access to the trail system. President McNamee indicated that the Board will investigate and follow-up on this matter.

Jeff Pattee – 3-163 – He indicated that he is uninformed regarding what happened last week and requested an update about what prompted the actions taken. President McNamee again stated that personnel issues could not be discussed. She also stated that she heard that some people were saying there was a “big dark secret” and that laws were broken. This is not the case at all. There was simply a difference in managerial styles. No theft occurred or anything like the rumors circulating. These are simply not true, and not fair to the individuals involved. The

people involved did nothing to cause this type of rumor or reaction. The Board would provide information if something had happened. Again, it was simply a break in managerial styles. Eleanor Jacobson, 9-63 – She stated that she has lived in ACL for 41 years and during that time there has been some turmoil, but nothing like the current situation. She came to this meeting to have the Board tell her what has happened. She has heard only rumors about 3 terminations and 1 resignation. Property owners are upset and she wants her questions answered. President McNamee responded that, first of all, it is not a mess. ACL is functioning very well. She urged people to talk to the employees to get their opinions. The department heads are doing their jobs, as they have always done. There is good morale and a good work atmosphere. She stated that she has talked with almost every employee in last 2 weeks and noted their concerns. She finds that the employees think the Board's actions were a positive step and are looking forward to the future. A Search Committee will be discussed after this meeting. Every director here has been working diligently on what needs to be done. The Board is full of professionals and their experiences will be utilized in this process. Her primary concern is how the employees feel and morale at this time is at an all time high.

Nancy Sell, 8-161 – She feels that it is necessary for everyone to pull together during this process. Property owners need input and information. President McNamee stated that she was aware that property owners were instructed not to talk with employees or Board members. That has been changed. Everyone can talk to everyone. Conversation with employees actually helps them do a better job because they know what people want.

Bob Kaus, 5-88 – He was pleased to see the notice about private owners using fireworks. He would like to see on fireworks citations carry larger fines. Fireworks would then to be stopped with higher citations.

Tom Arzbaecher, 2-35 & 36 – He noted that he has sent a note to the Board to volunteer for the search committee, along with his resume. He was pleased to learn about the interim steps that are being taken, particularly on the part of the Board. ACL is a very large community that needs revenue and management oversight. He suggested, while definitely not a criticism against anyone, that once the process is finished, a post mortem be undertaken regarding what happened and why. There should be a succession plan. Kevin Kavanaugh noted that a succession plan is in place, which is what got ACL through this past couple weeks. Kevin also stated that rumors are terrible things that split communities. When this Board was made aware of allegations two weeks ago, legal counsel came in and, after investigation, the Board had a resolution. Decisions were unanimous. The Board will not say anything regarding these matters that will put the Association in a liability situation. We all wish there weren't rumors. There has been no misappropriation of funds by anyone that the investigation uncovered. President McNamee stated that she, personally, has been working with office staff all day, every day. Along with Erin Winter, she has been in the office 6-7 hours a day last week. She, too, has heard the crazy rumors. Only 2 people were let go. It's over. ACL is going forward. There is a succession plan. There has been a post mortem. A Board is made up of very different people, often with very different opinions. The Board has been absolutely unanimous vote on these issues. ACL is not fractured. The Board is not divided. She urged people to talk to the employees. Ask them how operations are running now. She believes property owners would be really happy with the answers.

Patrick McGowan, 11-31 – He feels very strongly about this Board and that they are a good Board made up of a nice group of united people. When looking for a new General Manager, the

goal should be to look at the financial situation, and make eliminating the pool cost debt as a top priority, and stop any other major expenditures until the pool is paid for. Also, appreciate the employees that are here. He then complimented specific employees. All of them care about ACL. The new General Manager should look at the Maintenance Department, specifically addressing how many vehicles ACL has. The new General Manager needs to be aware of everything and take a proactive approach to ACL issues. President McNamee indicated that she has heard about special employees. She stated that the new General Manager will be hired from the outside. That person will be a professional, educated, and have a similar work background. The Board feels that it must be somebody from the outside. This search is a new beginning for all of us.

Don Wolverton, 13-14 – He stated that the rumors are atrocious. He specifically wanted to know whether a crime was committed. Kevin Kavanaugh responded that no violations of any criminal statutes in the State of Illinois were found by the investigation, which was monitored by an attorney. Mr. Wolverton stated that property owners have to know that there were no criminal acts. The rumors are terrible and must be stopped. Property owners don't want to see problems at ACL; they want them cured. President McNamee stated that her personal phone and email are on Internet. The Board will now have a general inbox that automatically sends each message directly to the Board members. No office people will read incoming emails sent to the Board and property owners should feel free to send email to the Board.

Jan Hedges, 10-9 – She stated that she knew the Board is working overtime during these difficult 2 weeks. She wanted the Board to know what she experienced here in the clubhouse while playing cards yesterday. They all heard a strange noise and looked at each other to identify what the noise was. It was actually someone in the office laughing. She hadn't heard that in a long time and that was a nice thing to hear. She also welcomed Jim Craig back to the Board meeting.

Ron Carpenter, 11-247 – He is a former treasurer and wanted to alleviate fears by letting everyone know that a Board member signs every check from ACL. He was corrected by Kevin Kavanaugh to say that all checks signed by two Board members. President McNamee noted that just yesterday she reviewed a stack of checks in detail with office staff. Mr. Carpenter simply wanted to reassure property owners that oversight is in place. He has also spoken with several of the employees recently and he has seen a lot of smiles.

Scott Panik, 12-340 – He commented that ACL seems to be running well and urged the Board to keep it that way. His problem is that the former Maintenance manager approached him about a month ago and wanted to buy his boat trailer for the Maintenance department. He stated that the purchase needed to be approved by the General Manager before the transaction could be completed. Mr. Panik indicated that Brian Hartlep presently has the trailer title and Mr. Panik was not certain how to proceed. President McNamee stated that the Board will investigate the matter. Mr. Panik does, however, still have the trailer. President McNamee will call Mr. Panik personally to provide resolution.

Rich Miranda, 14-18 – He wanted to thank the entire Board for having this special meeting to inform property owners about what was happening. He felt that his questions had been answered and just wanted to say thank you to the Board.

Sharon Burmeister – 11-97 & 96 – She stated that she has been an ACL Board member and understands that this is not an easy time. She feels that the answers given have satisfied her. Her concern is that when a new General Manager is hired, she hopes that this person has some knowledge of conservation and the lake. She also thanked the Board for their work. President McNamee assured her that the next General Manager will love ACL as much as the property

owners do. The Board is looking for an environmentally educated person who also has a love of nature. President McNamee and Erin Winter have met with Mike Malon hope to utilize him more. Mr. Malon will also begin to make recommendations for special projects.

6.0 Adjourn to Executive Session to discuss General Manager’s Contract – Erin Winter moved, with a second by Mike Harris, adjourn to Executive session. On voice vote, the motion carried unanimously at 8:43 a.m.

Adjourned from executive session and opened meeting at 10:26 a.m.

Discussed use of an interim General Manager. Discussed temp service vs. search committee to aid in new General Manager search.

Meeting adjourned at 10:45 a.m.

Recording Secretary Kandee Haertel

President Deb McNamee

Date

Corporate Secretary Josh Cocagne