

**Apple Canyon Lake Property Owners Association
Board of Directors Meeting Minutes
October 17, 2020**

APPROVED

2.0 Call to Order – President Barb Hendren called the meeting of the Apple Canyon Lake Property Owners Association to order at 9:05 on Saturday, October 17, 2020.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following Directors in attendance: Barb Hendren, Bob Ballenger (via Zoom), Jody Ware, Henry Doden, Steve Borst, Steve Tribbey (via Zoom), Gordon Williams, and Tom Ohms. General Manager Shaun Nordlie was also in attendance. Mike Harris was absent.

4.0 Approval/Adopt Minutes from the September 19, 2020 Meeting – Jody Ware motioned to approve the minutes from the September 19, 2020 meeting. Seconded by Gordon Williams. Clarification in next to last paragraph, the 6th line from the bottom. Sentence should read: “Marge Clark is concerned that the proposed language would allow the Board to pass motions on important business with 3 or 4 votes if only a majority of a quorum is necessary. This is hardly appropriate representation of the property owners.” Motion carried.

5.0 Treasurer’s Report – Treasurer’s Report will be in *The Apple Core*.

6.0 Committee/Commission Reports

AECC – Barb Hendren reported for Steve Tribbey. Met on October 3. Received all septic reports at this time. Discussed the number of sheds on a lot. Also had discussion on future meeting dates for 2021. The next meeting is November 7, 2020.

Conservation – Paula Wiener reported that at the last meeting they began fourth quarter reviews of greenway stewardship projects. Reminder when someone takes on a greenway project, they sometimes don’t commit to keeping it up; we do check on these. Discussed that the board approved taking over the stewardship of the watershed plan. Divided into two-person teams to forward the four goals and will continue to work on that on the November meeting. We will have Joe Rush at that meeting to discuss the fishery.

Golf - Jody Ware reported work was done on the tree location study for purchasing additional trees. This past week a tour of the golf course identified areas that would benefit from additional trees.

Deer Management – no meeting.

Lake Monitoring – Barb Hendren reported for Steve Tribbey. Went out on the lake October 6. The surface temperature was 60F. Dissolved oxygen was above 7.49ppm to a depth of 23 feet. Will go out one more time this year on October 27.

Recreation – Barb Hendren reported for Steve Tribbey. Sponsoring a grab and go lunch today by the old firehouse. Halloween events were finalized. Holiday events will be discussed at their next meeting on October 19. Thank you to the Commission for their work during Covid.

Trails – Tom Ohms reported they met on September 26 and went out on the trails for a work day, clearing blind spots and general maintenance. Next meeting will be October 24, last one of season. Will discuss future goals.

Strategic Long-Range Planning – Jody Ware reported that the next meeting is November 6.

Legal – Jody Ware – been busy! Hoped everyone noticed the insert in *The Apple Core*. On September 19, with the work of the Commission, the articles in the *Apple Core* will continue for the next four or five months to get through the first round of voting.

Foundation - Jody Ware – no meeting.

Rules and Regulations – Shaun Nordlie reported they continue to work on requests from staff to go through the documents. Three more sections before we are finished reviewing. Few changes that are coming to Board for approval, hopefully in December.

Nominating – Barb Hendren reported they had a couple of meetings discussing moving forward during Covid – more exposure using electronic media so property owners can get to know the candidates. Pro Shop November 7 Get Together is still being planned for anyone interested in running for the board. Board members will be there to answer questions.

Campground – Steve Borst reported they met and talked about the new pavilion. A couple maintenance issues were talked about – allow securely covered grills and adding some trees and shrubs. Season was extended to November 1 this year. Next meeting is not scheduled.

Camp A&D - Barb Hendren reported for Steve Tribbey – they met on October 8 to view bids that came in from local, non-union contractors. Of the bids received, some were considerably less. Will go through with Cord and Farnsworth. Good to see locals interested and some of the bids will save us money. Next meeting is not scheduled yet. Jody Ware – if we push to 2022, what would be the increase in construction material? Tom Ohms – plywood went from \$8.00 to \$24.00, crazy right now, but expect it to settle down in the spring.

7.0 General Manager's Report – Shaun Nordlie reported that the campground typically closes last Sunday of the month – gave them an extra week (November 1). Marina – same weekend, November 1 last day. May close Saturday 10/31 – doing about \$100.00 per day right now. Close everything at end of month would make it simpler. Golf Course – play by ear, based on weather. PPP – payroll protection program – we were approved.

8.0 President's Report - Barb Hendren wanted to compliment the Legal Commission for going out of their way with the work they have done. *The Apple Core* looked fantastic! Been very responsive to the questions and needs of the property owners.

9.0 Property Owner Comments

10.0 Consent Agenda - Jody Ware motioned “to accept the resignation of Rich Krasula from the Legal Commission and to accept the recommendation of the Appeals Board to uphold citations #0003 and #0083 issued to Lueken.” Seconded by Tom Ohms, motion carried.

11.0 Unfinished Business

11.1 Board Policy – Delinquent Dues Fee

Tom Ohms motioned “to approve the amended Board Policy (Dues) Assessments: Delinquent (Dues) Assessment Fee as included in the October Board Packet.” Seconded by Jody Ware. Discussion: Shaun Nordlie – no other fee until we file the lien. If there is something else there to give them another penalty if they don't pay by April or May, maybe some owners would say, let's pay now. Will try this to see if this works. Motion carried.

11.2 Amended & Restated Declaration of Covenants & Restrictions

Gordon Williams motioned “to suspend Roberts Rule of Order.” Seconded by Henry Doden.

Discussion – Jody Ware reported that at the last board meeting we talked about the Declarations. We did hold a town hall meeting to discuss Articles VI-XI. Jody reminded people about the process – something very different in the last three years, working with legal revising and updating the declaration and bylaws, worked in partnership with legal counsel. The Association's attorney only does common interest communities and condos. We are very fortunate in this process. Involved a lot of updating related to CICAA that we absolutely have to follow first and also the Not for Profit Corporation Act – which we absolutely have to follow and comply with.

Article VI section 1, 2, 3, 4, 5,6, 7, 8 focuses on word changes. Very minor changes, consistent throughout, clarified language. Major change is section 9 – non-payment of assessment. Changed to

reasonable service fee as determined by the Board, not a specific fee. Non-payment, old language did not allow Association to collect attorney fees unless filed for foreclosure. Deleted language based on attorney advisement and outlining the Association's rights. Shaun Nordlie – would not necessarily be doing this to collect assessments, but we would have the option. Jody Ware – if anyone has concerns, the Commission has been diligent in following up. We also have posted under our website under the town hall page.

Write down concerns so we can take it right back to the Commission. We have made changes based on what membership has said. The process works.

Section 13 – restricted lots. Language was confusing. Exhibit C has been added. Said lot should remain forever vacant – lots approved by the board as restricted unless owner and board. We have a list of all of the ones that have been approved. Recorded. Even if you sell the lot it would still be restricted.

\$330,000 lost over the years, approximately \$50,000/year. Henry Doden – personal opinion, restricted lots mean open space. Think that is an advantage to the Association. Jody Ware – we can review that if you write down your suggestion. Gordon Williams asked about senior exemptions and the definition.

Jody Ware – if lot qualifies, as provided by Jo Daviess County Illinois ordinances – that is what determines senior exemptions. Changes all of the time, program through the county. Worth a consideration to include definitions or put more information on what exactly it is.

Article VII we aligned with the Architecture Environmental Control Code the Board approved in March. Clarified language included.

Section 3 – composition of AECC changes – if board unable to appoint architect, the Association may retain one or more of the same to consult or advise AECC. Shaun Nordlie – there is a difference between those two. They may retain one or more of the same from time to time and then they can engage them.

Marge Clarke – how do you define engage? Jody Ware - using them as needed to assist in the performance and responsibilities. No inspector – Association could hire one if needed and if so, we could use that inspector to perform the duties and responsibilities.

Section 4 – protecting the AECC and Association. Section 6 – satellite dishes and antennas – gets Association in alignment with the 1996 Telecommunications Act. Also gives Association some authority for addressing satellite dishes and antennas. Section 7 – remedies for unapproved additions or alterations suggested by attorney – Association may, at discretion of the Board, take action (talks about actions or remedies as well). Could ask property owner to remove and restore. We didn't have this in the past declaration – this is new language. Henry Doden – owner that makes changes without permission and sells property, new owner thinks everything is fine – what happens? Jody Ware – single case we would bring to the Board and work with the new owner. Shaun Nordlie will look into this. Section 8 – Marge Clarke's addition will be added. Jody Ware – write that down and run by Association attorney.

Article IX – added language. No waiver was added. Added gender neutrality (he, she, they). New language added rules against perpetuity. Typically included in this type of provision. Section 7, 8, 9, 10 all added by the attorney. Majority of 9 and all of 10 is new language provided by the attorney. Shaun Nordlie - asked the attorney – legally married spouses getting preferential treatment – this is no different. Spouse applies to both – no discrimination from that standpoint. IL does not have common law marriage.

Bylaws

Added preamble. Definition changes – Article of Incorporation was added. *The Apple Core* definition revised; voting member ticket - clarifying voting member; nominating committee guidelines was added; Tellers Commission was clarified.

Article II membership. Removing duplicate language from the bylaws already in the declaration.

Article III voting rights. Removing duplicate language from the bylaws already in the declaration.

Article IV – section 1 language changed, section 2 updating language; section 3 updating language.

Article V – updated language with owner and/or voting member; clarity in language in filling vacancies on the board (CICAA language). Section 3 new language.

Article VI – voting procedures – new language. Typically, we have three positions to fill, voting member does not have to vote for three people. But they cannot do a multiple cumulative vote. Two votes for board member and one for another, can't do that. One vote each.

Article VII – new language. Proposed K language was added. Clarification in K about suspending the enjoyment right of an owner. Due process. N – 20% of total vote in the Association (per CICAA). 20% replaces 125 total vote language. Jody Ware – Legal Commission is waiting for the opinion of the attorney and just received it yesterday. Will bring Marge Clarke’s discussion back to the Commission. Article VIII – regular meetings – change that is important, the posting of a regular meeting. Language was revised to be consistent with CICAA. Section 2 – talks about notices of special meeting to be consistent with CICAA. Section 3 – revised to be consistent with CICAA. Section 7 includes clarification.

Article IX, section 2 – modified new language to align with General Not-for-Profit Act and CICAA.

Article X Officers – old language was removed already covered under Article VII.

Article XI Committees/Commissions – clean up language from Illinois Not-for-Profit Act. Committees have power to make decisions on behalf of the BOD; Commissions make recommendations to the BOD.

Section 11 – new language for attorney on the make-up of the AECC Committee. Section 19 Strategic Long-Range Planning and Appeals Commission were added as standing commissions.

Article XII revised to be consistent with CICAA.

Do bylaws at November meeting – will be making a recommendation to the Board to allow Legal to publish the bylaws declaration for the voting members in December. Next town hall meeting hope to make it completely through the bylaws and an opportunity for voting members to share their thoughts, ideas, suggestions. Question – why wouldn’t you vote for this? If because of an article or section, this is your opportunity to ask the questions or express concerns. We do keep this process open until we collect 2/3. This is something very, very important to every voting member in this association. Legal Commission is very open to listen to thoughts, ideas, comments. Marge Clarke – qualifications for passing – very different. Votes collected – 2/3 of the voting members’ affirmative vote.

Tom Ohms moved, and Henry Doden seconded, to reinstate Robert’s Rules of Order.

12.1 Adoption of 2021 Operating Budget – Gordon Williams motioned “to adopt the 2021 Operating Budget as published in the September issue of *The Apple Core*.” Seconded by Steve Borst. Motion carried.

12.2 Adoption of the 2021 R & R Budget – Jody Ware motioned “to adopt the 2021 R & R Budget as published in the September issue of *The Apple Core*. Seconded by Steve Borst. Motion carried.

12.3 Adoption of the 2021 Operating and Building Fee Schedules - Jody Ware motioned “to adopt the 2021 Operating and Building Fee Schedules as published in the September issue of *The Apple Core*.” Seconded by Gordon Williams. Shaun Nordlie noted that the annual trash pass has increased. Used to be \$75 and an additional \$10 for 2nd pass. Second pass is included now with the \$120. Mattress disposal – cost is going up, needed to add that specifically for mattresses. Tom Ohms - Snowmobile fees were not raised? Shaun Nordlie - not a lot of snowmobiles on trails. Motion carried.

12.4 2021 Calendar – Tom Ohms motioned “to review and accept the 2021 calendar of events for publishing.” Seconded by Jody Ware. Discussion – Jody Ware noted the fireworks date. Could we get something from Recreation published because people are reserving houses/rentals, etc. Give membership notification on when the fireworks will be. Shaun Nordlie – obviously if Covid continues, this may change. Barb Hendren – Meet the Candidates April 17. Should say immediately following Board meeting rather than put an exact time. Motion carried.

12.5 Foreclosure of Liens – Gordon Williams motioned “to approve foreclosure of liens on the following lots: 02-031, 02-047, 03-046, 03-047, 03-123, 03-133, 03-185, 04-054, 04-106, 04-107, 06-085, 07-146, 07-173, 08-020, 08-259, 09-040, 10-034, 10-101, 11-049, 11-078, 11-093, 11-094, 11-233, 11-263, 11-293, 11-294, 12-003, 12-184, 12-210, 12-238, 13-009, 14-029. Seconded by Jody Ware. Shaun Nordlie noted that there are three right now that are making monthly payments. We keep them on the list in case they were to default. A few more are planning on paying before the end of the year. Henry Doden – does cost us money to foreclose. Motion carried.

Bob Ballenger left the meeting at 11:10.

12.6 Lot Combination 12-128 and 12-129 – Jody Ware motioned “to approve the Lot Combination Agreement requested by Ken & Ann Johnson for Lots 128 and 129 in the Presidents (12) subdivision. Once recorded, the Lot Combination Agreement may not be revoked or rescinded. Seconded by Tom Ohms. Motion carried.

12.7 Reinstate the Maintenance Commission – Henry Doden motioned “to reinstate the Maintenance Commission with the following charge: The Maintenance Commission shall work with the Building and Grounds and Natural Resources Managers to help fulfill the duties of the Maintenance Department. The Commission can play a role in assisting the department with planning, estimating, execution and reviewing all matters pertaining to the maintenance, repair or improvement of the common properties and facilities of the Association as requested by the Building and Grounds or Natural Resources managers. The Commission shall perform such other functions as the Board, in its discretion, determines. At least one member of the Board shall serve as a member of this Commission. The Commission will prepare a summary of activities and projects the Commission has been involved in over the past year for presentation at the annual meeting.” Seconded by Gordon Williams. Discussion: Jody Ware feels this is not in the best interest to create a commission based on one member of the Association wanting to form a commission. When we did dissolve this in 2018, over the course of 50 years, the Maintenance Commission’s role, responsibility and development at ACL changed. Became a department an operational department. Would have liked to have heard from other members that this was a need. The Maintenance Commission shall work with – what does that mean? We will find volunteers to work side by side, similar to Trails and Golf Commission? Liability wise – concerns about that. Maybe collaborate with Building and Grounds etc., to help to fulfill the duties. Makes me feel like these people will be working as employees. Concerns with the verbiage of the charge. The Commission can play a role in assisting in planning, etc. on **all** matters pertaining to the maintenance repair and improvement, but on all matters, is this a 24/7 commission? Pertaining to maintenance repairs and improvements – has to be futuristic. This has such an impact on the Budget Commission and forecasting of work that needs to be done. How does the Budget Commission know that next year, the Maintenance Commission wants to reconstruct, etc., using the comments Henry shared today, as an example? Execution and reviewing all matters - even the Executive Committee doesn’t have that authority over Shaun. Perform such other functions – now they are performing? The word inspect of facilities, etc., what if we had a commission of 30 members? Feels like micromanaging. Creating scope of work – skill set or knowledge to create? Advertise word of mouth selling of dirt – pretty specific. Could say promotion. Communicate with owners on maintenance issues? Henry talked about the replacement of the 30-year roof for The Cove for example. Maintenance Commission – would be more people involved. How does that help? Henry Doden – would eliminate some of the questions surrounding that. Dredging – one maintenance man he was talking to – didn’t have floats. Some of the things that could be discussed. Tom Ohms – who makes the final decision? Henry Doden – then get together with main manager. Tom Ohms – then he decides he wants the floats. Jody Ware – typically makes recommendation to the Board, not the employees other than Shaun. Rewriting needs to be done on this. Communication can’t be word of mouth. Need process. Some things we need to create a sense of urgency on, but a lot of things we do not need to create a sense of urgency. Who creates the reserve study? Shaun Nordlie – we review it every year. Jody Ware – but created by general managers and maintenance managers? Shaun Nordlie – outside company did one in 2013. In 2016 sat down with all managers and we have been managing this. Jody Ware – building and grounds manager selling /trading old equipment. Need to review job description on that. In the spirit of volunteerism, we have always looked for individuals with expertise. Prioritize work orders – worry about the control factor and micromanaging. Too much micromanaging in this. To the new board members, the board does have the authority to dissolve a commission. Would want to see this written with words that are not micromanaging and words that interfere and take time away from our already overloaded maintenance department.

Shaun Nordlie – open to new wording. Had an infrastructure commission, worked with them monthly at Lake Carroll. Had an understanding with that commission – don't want to be hounded on, criticized on and he gets to prioritize. Great relationship, used them to his benefit. Jody Ware – futuristic is 3-5 years, not next week or next month. Conflicts with general manager's goals. Conflicts with strategic planning goals that the board approved. Restricts the Budget Commission as well. To say we did the wrong things or done poorly, not productive. Gordon Williams – how was the liability handled at Lake Carroll? Shaun Nordlie – didn't do anything to that extent – climbing ladders, etc. Maintenance would handle that. Tom Ohms – problem with a committee wandering through while people are working. Shaun Nordlie – would set a time for Commission to come through. Not walk through whenever they feel like it. No authority to walk through kitchen on a Friday night. Jody Ware – would want to see that language limiting membership (5) and see the structure of this. Tom Ohms – reads that Trails would have to go to this Commission to create a work day. Shaun Nordlie – not the intention. Jody Ware – want to understand. How would this be helpful and would want to know what are the qualifications for these five members? Shaun Nordlie – we do get qualified people on our commissions now. Jody Ware – could this be an advisory commission? Barb Hendren – is there such a thing? Jody Ware – strategic plan is advisory but not written like that. Want this to be futuristic, not a hounding commission. Ask for a rewrite on this charge. Henry Doden – hears what you are saying. We have had a couple pieces of equipment by the disposal facility for a couple of years – can we sell this equipment? Jody Ware – board would have to approve that. Tom Ohms – do worry about the micromanaging Ed. Stressful job and he does a good job. Shaun Nordlie – would want the Commission to understand the rules. If it would turn into that, not interested. We can make this a benefit and did sit down with Ed about this. Jody Ware - your priorities are not always that of the organization. Organizing the work orders might be an issue. Could check the Lake Carroll's charge for their commission.

Marge Clarke – this commission took care of planning and doing research for major projects. Maintenance did play a role in some of the processes that got built around here. Jody Ware – like the planning part and doing research. This would affect the bylaws and would have to be added in. Tom Ohms – motion “to table this motion.” Seconded by Gordon Williams. Motion carried.

12.8 Recommendation for addition to Bylaws – 1st Reading – Jody Ware motioned “to suspend Roberts Rule of Order.” Seconded by Steve Borst. Discussion: Shaun Nordlie – sent something to the board with his feelings on this. Concern with this 10% - too restrictive. Going forward would restrict operations. Details of purchases in the past five years and any expenditure you are taking to owners for approval would be shut down. In 2016, Abacus would be an example. Would be a hindrance. Harvester goes down in July and has to go to membership to get a vote before proceeding. Jody Ware – also having concerns with this. This is taking a personal issue and trying to turn it into a bylaw. No problem creating policies. Root cause of this is based on communication for the purchase of the 134 acres. Basically, what bothered them was lack of communication to the owners, can easily be changed with a policy. To ask for 2/3 affirmative vote of the voting members, it took six years to pass something. Tom Ohms – hamstringing everybody with this. Steve Borst – is there a percent you can live with? Shaun Nordlie – we did talk about that and met with Ashley. If we look at each fund differently there could be a percentage. Total funds – what is in the R&R budget? 1.2 million – 15% of that is 180,000. Would cover a lot of different things that would break down we could get repaired. Hoping next year we start with a capital project. Let's say flood mitigations – capital fund could get down to 200,000. Could be 30,000 then. How about whichever is greater – amount budgeted for the year or total fund?

Steve Borst – would like to see something get in governing documents. If this came to a vote he would vote for it. But would be in favor of a policy as well. Jody Ware – thinking of the work and getting a 2/3 vote – who is going to do that? How would you possibly do that? Cannot see board members organizing and trying to convince the owners (voting members) to vote on the purchase of something. Shaun Nordlie – if we have to put this in a document that is going to be owner voted on, we have to make sure it is what we want. Jody Ware – more input from other board members. Barb Hendren - can see it being a policy. Can see trying to prevent communication issues – 3 meeting rule. Can't see anything ever passing. Jody Ware – totally against going in the bylaws. Would also like the recommendation of the

attorney. Marge Clarke – it is not unusual to have something like this. Sees it beyond the 134 acres – no consistency in this association to define capital project funds. Only became a part when CICAA came into play. We did not define prior to that. R&R was always the reserves. Right now with the new accounting standards, no more reserves. Money that goes into capital fund projects has to be designated for a project the board has to identify. But the board has not done that. Not informed priorities, flood mitigation, software, etc. you have a responsibility to us to identify that so we know what kind of money has to go into capital project fund. This association has to think about this. Long range planning, we talk about it, we write it – how much of that was communicated to budget audit. Jody Ware – we did communicate. Marge Clarke – on paper and how much attention does it really get. On paper, label everything, but the average person doesn't have a clue and you have a responsibility to make that clear. Don't like the restrictions, understand that, even though not unusual. Shaun knows we have a software problem and will become a budget issue. Should not be an emergency expenditure. That becomes a planning factor and that has to be a priority in budgeting. Jody Ware – NorthStar bought Abacus, otherwise we did not have an issue prior to September. Your commission stopped meeting in August. Marge Clarke - we do for next year's budget meeting. Example of what you know this association is going to face. Therefore, you need to communicate this stuff to people. We have to interpret and think about these things in the operating funds and R&R as liability. That is what the auditor told us – liability on our books. Not just money to use as we feel like. Make sure what the priorities are and what funds are to be used for. Jody Ware – land acquisition. Since 2017, the Strategic Plan has had land acquisition on there. Four years of planning – when Strategic Plan does budget, we should put 1 million dollars in there? Is that the process? Already been approved by plan as master plan. Marge Clarke - well aware. On the committee that we must do this quietly. Don't want competitive bids. You have lost the trust of your property owners. If you are looking to get money for land acquisitions, you need to communicate that. Jody Ware – raising members assessments because budget shows we have a need for 1 million to be there because we planned the possibility of land acquisition? Marge Clarke – you have to support your reasons for raising assessments. We don't need to buy any land. Only reason – project we are engaged in requires more land. We have no business going out and spending 1 million. Revamp the way you think about things. Jody Ware - all due respect – we do not need to buy more land unless part of capital project. We do have a project going on – watershed. More silt ponds to be more affective. Also used partnerships, that was also part of land acquisitions. Marge Clarke – 134 acres is attached to nothing. Jody Ware – talked about capital fund, accounting standards and board operations – this board needs to communicate better. To me that supports the fact that this should not go into bylaws, should be a policy. Hamstringing the board. Marge Clarke - not hamstringing if the board is honest. Can always make changes to bylaws with a majority of vote.

Shaun Nordlie – should we continue to work on some language? Jody Ware – should be in partnership with Policy Commission.

12.9 Open Discussion about Covid-19 – Shaun Nordlie – still rolled back. Article in *The Gazette* threatening misdemeanor and licenses. John Hay is not pursuing this. Not suggesting we open up (Cove and Pro Shop). Hoping Jo Daviess County gives us some guidance. Jody Ware – planning the 2020-21 year for operating plan as if Covid exists. Need to start educating owners on what will happen 1st quarter on assessments.

13.0 Other

13.1 CAMP Update – no further updates.

Tom Ohms motioned “to reinstate Roberts Rule of Order.” Seconded by Gordon Williams.

Motion to adjourn by Tom Ohms at 12:27.

Recording Secretary, Rhonda Perry

President, Barb Hendren

Corporate Secretary, Steve Tribbey

Date