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Membership Reports:

Collected 337 full assessments this year; 187 homes paid at the senior rate. Total lots paid 524 – approx 77% of all properties. There were 12 closings in the neighborhood, two of those homes were foreclosures.

How did our first year with the management firm go? In the beginning, we had a few glitches & communication problems coordinating the transition between our processes and Kalman's management style. We are hopeful that this will be much smoother this next year as we have worked out some of the issues and have better communication and processes in place.

Legal Report:

Presented by Kathie Knudson.

The board had planned to present the revised Declaration & Bylaws today at the annual meeting. Unfortunately, the documents are not ready so they will not be presented today. The board is working with the associations legal firm to update these two documents to make them compliant and up to date with the latest Common Interest Community Act. Some of the language on our documents was quite antiquated and needed to be refreshed. As soon as the documents are ready, all residents will be mailed a copy of the documents for review. Discussion and voting will occur at a future date at one of our regular LLPOA meetings.

2/3 of the members of the association will be required to vote and approve these documents in order for them to be approved and then filed with Lake County

Dam, Path & Entrances: John Bestler Reporting

John Bestler presented.

The state of the dam is good. John visits the dam at least once every two months; walking both sides and along the top looking for potential problems. The water level is down approximately eight inches and this has revealed some erosion of the concrete spillway. That erosion will have to be addressed in the near future.

Currently we have a maintenance project ready to get underway along the east side of the dam and the spillway pond. The pond is eroding west towards the earthen dike and would compromise the entire dam

structure. The project will reinforce the pond and stop the erosion. After a long process of obtaining permits and bids; everything is just about in place. A&H Construction has been hired and will doing the work. It should take about two weeks to complete.

Lake Management:

Steve Kephart presenting.

We experienced a record heat this summer and would like to thank everyone for their calls to report the algae blooms and issues.

It's been a good year with the lake. There was a little bit of trouble with the extended heat. The lake lost about a dozen of the big Northern from the heat but other fish seemed to weather the heat well. DNR did come out and do a study and we are still waiting for the DNR report before we do any restocking.

A PowerPoint presentation was given by Fritz Chesek about the lake management initiatives conducted over the last couple of years: Native planting initiatives, naturalized plant buffers, and rain water gardens were the focus. Some of the project such as the native plant rain water garden was funded by grants received from the Lake County Storm Water Management Commission. The presentation can be found on the Loch Lomond website in the Annual Meeting - 2012 Documents folder. Residents can gain ideas for their own gardens by using the identification signs at the garden.

North Beach:

It has been a good year at the North Beach. There were many people, young and old, using the area for fishing and boating. A new sign board was installed. The picnic tables were stained to maintain them. A large dead tree was removed from the area near the fishing pier.

We worked with the village, Storm Water Management, and a local contractor to design a plan to prevent further erosion to the spillway area.

Residents are reminded to empty their boats of water before freezing temperatures ruin them.

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South Beach:

The South Beach was very popular this year with our unusually hot, dry weather. We had a total of 14 lifeguards, 7 of them new. The guards worked well together and the new guards were all very good and will continue to make a wonderful addition to the staff.

Because of the drought, the area around the diving board became too shallow to allow diving for much of the summer. It has been several years since we last had it vacuumed. It must be 9 1/2 feet deep in the diving area and chances are we will have to have it vacuumed this next summer of 2013.

Two benches were added to the fishing pier that we rebuilt last summer.

The weekends were booked with resident picnics and parties all summer. There were not unfavorable incidents to report.

Loch Fest Update: The event was very successful this year; approx. 600 people, adults and kids, attended. We had a lot of support to put the event on by many residents volunteering their time. We continued to have lake education at Loch Fest to provide information to the residents about the lake and their neighborhood environment. James Carroll chaired the event this past year; Kathie Knudson co-chaired. This next year, Loch Fest will be chaired by John Vicik and Sherrill Randaw will be co-chairing. It's a great event. Please keep in the mind that many local businesses sponsor the event and provide a significant portion of the funding to underwrite the event. Please keep these businesses in mind during the upcoming year.

Boat Director:

Phil Kweton presented.

There is not too much to report thanks to Harold's hard work over the years. We do have the occasional errant and/or lost boat. But it has been pretty quiet lately. Please make sure to empty the water and keep your boats locked and secured to prevent joy rides.

Administrator Report:

While we had hoped that the new system of having the beach tags picked up at the beach would be successful, we have found that it was more confusing. We will go back to our old system of having the tags mailed. Once Kalman Mgmt. has received the resident's dues and providing the residents have no back dues owed, Kalman will mail the tags directly to the residents.

Every dues paying homeowner is entitled to one keycard per household. A replacement card is \$20 and once received by Kalman Mgmt., a new keycard will be mailed.

All of our services such as Landscaping, garbage and porta-potty cleaning have been stalled or scaled back for the winter months.

Our new meeting room at the Parkview Community Center was very convenient for our resident and we will continue to meet there next year. A copy of the meeting dates will be published in the minutes from this meeting. The meetings will again be held on Mondays.'

Old Business:

The Beautification Committee's name has been changed to the Good Neighbor Committee.

Website: A new, improved website was introduced with the transition to Kalman Mgmt. The past two years of LLPOA meeting minutes are posted on the website as well as current information about the neighborhood. Please go and check it out. There is still much work to be done but is coming along nicely. If you haven't requested a resident's account yet please do so by visiting the website and selecting the Request Login option in the Login tab. You can also opt in to receive the newsletter by email and save the association a few pennies of expense.

New Business:

A quorum of Owners was not achieved at the Annual Meeting, so the formal election of the 2013 Board of Directors was not able to be held. Pursuant to the Illinois Common Interest Community Association Act (CICAA), the existing Board of Directors will remain in place until the next Annual Meeting in November, 2013. Any Director may resign from the Board at any time. The remaining Board may

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choose, by a 2/3 vote of the Board of Directors, to fill any vacancies created by resignations until the next Annual Meeting, when another election will be held (assuming a quorum is reached).

An audit was performed at year end by Jim Gavin, Kelley Happ (and husband Larry) and Harold Hanson at Kalman Management with Al Kalman present. The review and testing of the books and records was successful and Mr. Kalman answered all their questions sufficiently to provide the necessary comfort around their opinion. Several recommendations were made as a result of the audit process and a few are as follows:

Accounting Method: Kalman Mgmt has been using the accrual method for accounting. In the past, LLPOA has used the cash method. The board has instructed Kalman Mgmt to change to the cash method for our association for the upcoming accounting year.

Segregation of duties: Kalman Mgmt needs to provide evidence of the work performed by their multi-staff approach. Signing and dating the work performed would reflect who did the work and when; and how it ties out to other work or programs in place.

Tax Return: LLPOA needs to engage Kalman Mgmt to execute the annual 1120-H tax return for the year ended October 31, 2012. This is not part of Kalman Mgmt's contract currently. The Audit Committee suggests that Kalman Mgmt. be request to provide a

quote, and if reasonable, be engaged to do this work. Kathie Knudson made the motion to instruct Kalman Mgmt a to produce the tax return, Kay Dickman seconded. All approved.

The entire report of the Audit Results can be found on the Loch Lomond Website in the documents folder: Annual Meeting – 2012.

Resident Comments:

None Received.

Motion to adjourn the meeting at 5:28 pm made by Kay Dickman, and seconded by Steve Kephart.

Attendance: Larry & Diane Rogers, Steve Koch, Denise Gavin, John Bestler, Kay Dickman, Fritz Cheseck, Jennifer & John Popowitch, James Carroll, John Vicik, Barb Fier, Ed Fier, Larry & Kelley Happ, Steve Kephart, Paul Papineau, Al Kalman, Jean Potillo, Harold Hanson, Thomas & Barbara Ambrus, Helen Colbert, William & Eleanor Dillberg, Luke Emde, Stephen & Elizabeth Kaminsky, Robert & Mary Kingsbury, Kathie Knudson, Mariel Kweton, Phil Kweton, James Cupec, Brian & Susan Scholes, Diane Shaw, LaWayne and Pat Stromberg, Harold Zoellick

Minutes respectfully submitted by Jean Potillo.

Reminders of LLPOA Rules & Covenant:

- Motors including trolling motors are not allowed on lake.
- Piers must be safe and in good repair.
- Residents are not permitted to pump water out of lake to water their gardens & lawns.