

6/20/10 PR

A concern was mentioned about trees that have fallen into the lake. There are Village rules about yard maintenance, but the lake is private property. Our Covenants state that nobody is allowed to intentionally put materials into the lake, but there is no mention of unintentional additions to the lake, such as downed trees.

OLD BUSINESS: Larry Rogers

Legal Update: On May 13, Dick Lincourt, Steve Koch and Buzz Stromberg spoke with Bob Nesbitt of Kovitz, Shifrin and Nesbitt about our governing documents. This initial 2.5 hour conversation was provided to us at no charge.

Summary: We are in the top 1% of the oldest homeowner's associations in the country. Our governing documents are constructed legally and are binding, but are archaic, which makes our documentation difficult to find in searches by title companies. Attorney Nesbitt's recommendation is to re-title a document "Declaration of Covenants" and re-file it with the county so that it is found during title searches. The Board can change the title. He also recommends re-working the governing documents into one to make it easier for the Board to administer the Association, and in anticipation of future LLPOA needs. This action requires 66% of residents to agree to it). The estimated cost of updating our governing documents is \$3,000.

The Board has a fiduciary responsibility to make sure all property owners share the cost of maintaining Association assets by paying annual dues. Attorney Nesbitt recommended a course of action to improve the dues collection process:

1. Tighten up the written dues policy. Treat the dues payments like any other bill, with a short grace period and a substantial late fee. The change in the late fee terms would require a change to the by-laws.
2. Anyone in arrears would receive a letter reminding them to pay. Recent non-payers would receive a "friendly reminder," while inveterate non-payers would receive a letter from the attorney stating how much is owed, and the steps the Board is willing to take to collect the dues owed.
3. Property owners who do not pay the dues owed after receiving the attorney letter could then be subject to court action, which would include legal fees as well as the dues owed. Attorney Nesbitt stated that there was very solid legal precedent in the Illinois court system for collection of Association dues

based on increased market values for all properties in an Association regardless of their location and whether or not the Association assets were utilized by the property owner.

While the board considers court action against an Association member undesirable, collection of the considerable amount of back dues owed (\$188,000) and creating future budgets based on 100% participation of property owners is the shortest path to lower annual dues for all Association members.

Question: In the past, our attorneys have told us that we're on shaky ground regarding dues collection. Have we just been talking to the wrong people? Attorney Nesbitt specializes in homeowner association law, and our previous attorneys may not have had the same areas of expertise.

Motion to act on the advice of new counsel: Jon Holsman, seconded by Kelley Happ.

Resident Concern: Some homes in Loch Lomond have very tall grass in the yards. This is a Village concern, so if you see a house in this condition, first attempt to contact the resident, and then call the Village, who can require that the property is properly maintained.

LOOK HERE! We are still in need of Zone Directors for the following Zones: 3, 5, 8, 16, and 20. You do not have to live in the Zone for which you are a Director. We are also still in need of a Vice President. If you are interested, please contact a Board member.

Motion to adjourn by John Popowitch, seconded by Jon Holsman. Meeting adjourned at 9:28 p.m.