



B.P. Management Services, Inc.
Efficient Management for Today's Communities

**HARVEST RUN – PHASE III
HOMEOWNER'S ASSOCIATION MEETING**

Date: Wednesday, March 16, 2005

Time: 6:30 pm sing-in, 7:05 meeting start time, 8:45 end time

Location: Home State Bank – Community Room

Attendance: Fifteen homeowners including three Board members (Lamb, Potas, Rekowski).

Allan welcomed the fifteen homeowners to the meeting requesting they all promise to also attend the upcoming Annual Meeting scheduled in May.

It was explained to all present the meeting was originally requested by Matt Bolda of 833 Crabapple as he expressed to the BOD that several homeowners wished to have a meeting earlier than the upcoming Annual Meeting. The BOD agreed, as this meeting would help clear some action items from the Annual Meeting. Thanked those present for attending.

Handouts of the Financial Recap as well as Accomplishments were passed out to all present to follow along with the meeting.

Allan Lamb introduced himself as the Treasurer/VP and a homeowner living at 1085 Autumn Drive, Mark Rekowski introduced himself as the VP and a homeowner living at 1130 Autumn Drive and Allan introduce Lynda Potas as the Secretary and living at 1280 High Plaine Drive. Allan explained that Chris Kouzios, the President of the BOD of 815 Crabapple Drive, was unable to attend as he recently learned that his mother was in the hospital for her heart and needed to be with his family.

Allan began speaking of the turnover from Ryland to Foster Premier Management Company. The BOD was elected voluntarily from the first homeowner's meeting actually held twice due to lack of quorum.

One of the first items the BOD addressed was replacing the landscaper (Midland) hired by Ryland/Foster Premier, as their work performance was unacceptable and their contract expensive. Several landscapers were interviewed and Field of Green won the contract saving us 30% annually.

The BOD had a learning curve based on our experiences with NW Property Management & Financial Company. The owner, Bob Berglund, stated he would be very involved in our association. Allan mentioned that his profession was sales and that Bob's pitch was very good, but Allan mentioned this is the kind of guy you'd never want to buy anything from.

The first couple of meetings were very good but that was about it. We were happy when Bob hired a new property manager (Carol Brown) and was assigned to our account. Once Carol was involved in our association, meetings were properly prepared for, days in advance, and never a scramble to review documents just minutes to the meeting beginning, as always experienced before.

Carol immediately found out that during the handoff from Ryland to Foster Premier, Harvest Run – Phase III was never incorporated. Additionally, the association was not in good standings with the state of Illinois as the annual report had never been filed.

The BOD created a questionnaire distributed throughout the community to get an idea of what items needed to be addressed and/or change the current covenants. Two changes made to our covenants were the addition of specific design sheds as well as providing a bit more leeway on the fence designs. The vote on the pool remained as written in our current covenants. Mentioned that any changes to our covenants must have 75% vote from the community.

Matt Bolda spoke and requested more discussion on the management company.

Allan mentioned he appreciated the addition of our current policy created by NW Property Management. Foster Premier never addressed this issue.

Additionally, the wetlands and outlots were an issue as they were never taken care of since the beginning. The BOD worked with NW on creating a budget item and contracting out to get the permits required to do a burn and for this to take place in 2004. The burn is designed to kill all non-native plant life (weeds) and will help restore the area to the natural plant life. The Army Core of Engineers needed to be consulted as well. The BOD, advised by Bob Bergland, the burn permits were applied and the burn would commence in Spring of 2004.

Carol advised the Board of several abnormalities regarding the state of our association with NW as files were disorganized, taxes were never filed from 2003 and no sign of any permit applications were every found. Carol was let go in May of 2004 due to a conflict of interest as she started her own property management company. Bob reiterated with the BOD that he would again be on top of our account and everything that was not performed properly on our association was blamed on Carol, even though she was only involved in NW and our community for six months. From a financial perspective, the BOD felt we were paying a monthly management fee and received nothing back.

The “listing” light poles within the community were finally completed by the efforts of the BOD and Carol Brown hounding Ryland, the City of Crystal Lake and ComEd. The utility poles along Huntley Road were finally removed based on the efforts of the BOD not the management company. The water “buffalo boxes” were elevated, some trees missing, concrete dumped, etc. all taken care of by the BOD and not the management companies.

Foster Premier and NW never provided the BOD with financials that identified and monies not spent the year before, no audit trail existed. This was a major reason for leaving both companies. The BOD went to the bank and closed the account to open a new bank account and interview new management companies.

Three management companies were interviewed and one was immediately dismissed due to the amount of additional charges for email and faxes. Fox Valley Management was a good candidate but a bit more expensive and a less expensive rate would only be obtained if a three year contract was signed and the BOD did not want to do that based on the past two experiences with management companies. B.P. Management Services was selected based upon the fact that Carol Brown started this company with Lynda Potas and that Carol was very thorough in our past experiences with her and her relationships with the various contractors and here work with the City of Crystal Lake as well as her experience.

Since signing, new proposals received and permits are actually in hand for this year's burned. The association insurance renewal was received in December with an increase of 11%. It would have been higher if we did not have signs posted around the pond to protect us from liability.

Matt Bolda commented that those signs basically invited everyone from Crystal Lake. The discussion commenced whether or not it was private property or not. Allan mentioned that it was open land or public access property and we are not a gated community. Matt suggested no trespassing signs instead and it was explained that it would mean everyone, even our community.

The BOD had to make a decision of putting up signs right away and accept the 11% increase or not to put up signs and receive a much higher increase to the insurance coverage. Allan mentioned the BOD could have gone door-to-door to get everyone's opinion on what verbiage to put on the signs, and the decision was made to deter any additional increases to our policy.

The audience wanted to know what verbiage other communities used and what the City requires. It was mentioned that the City does not require any signs. The audience then commented to each other that the signs are necessary and if you see someone where they shouldn't be, to call the police. The audience wanted the BOD to look into getting signs that may deter persons not living within the community.

The question was asked from Jeannie Bolda of the criteria the BOD requested when deciding on the management company. Cost, service, financial reporting, proximity, email and comfort level of value vs. dollar.

Matt Bold stated that he heard a different story regarding Carol Brown. He confirmed that she use to work for NW and was in charge of our account. Allan reiterated that Bob was in charge of our account for the majority of the year term. The issue stated was that wouldn't it be Carol's responsibility on making certain taxes were filed, etc. Allan explained that Carol was the one who tipped off the BOD as to what was not being handled per the decision of NW. It was explained by Lynda that Carol was employed by NW from approximately October 2004 through May 2005 and the contract between HRP3 and NW was mid-August 2004 to mid-August 2005.

Matt stated he has a relationship with a board member in Phase I & II and they have no complaints with NW. Allan and Mark both commented that if they were NW they'd make sure they were happy now, too.

Matt also mentioned that Phase I & II will be having a burn this Spring and they already have their permits. Allan stated our permits were also already in hand and we're waiting for perfect conditions to begin.

The discussion continued about the outlot at Barlina and Huntley and how it is a garbage trap and that it is an ongoing issue, all season.

The audience spoke about how this meeting was put together initially as a special meeting to answer some questions and that future participation is very important by all homeowners. Allan spoke to the audience and stated that Chris, Mark and himself did their due diligence in the property management research and challenged them all to work with Carol and B.P. Management so they can earn their trust. They then asked where Carol was and Lynda explained that due to the last minute planning of this meeting, Carol already had her vacation planned around this date, so she could not attend.

The audience spoke to each other on homeowner's who had lived in an association community before and stated their confidence in the Board and B.P. Management. The BOD created the newsletters to communicate with the neighborhood on current event.

Lynda stated to the audience that the perception is that some of the audience is uncomfortable with her having a position on the BOD and being half owner of B.P. Management. Lynda reiterated her position is available as stated in the September 2004 newsletter. She also understands any reservations homeowner's might have concerning this issue. Mention was made that this contract was an honor to have and regardless if she lived in the community or not, it was her obligation to do the best job possible to make the client happy. The BOD mentioned it was a plus that Lynda also lived in the neighborhood. It was reiterated that Carol was not the failing point but NW.

It was requested to have an itemized list of the services provided by Fields of Green for the 2005 season at the Annual Meeting. The Financial Recap was briefly reviewed and spoke of the monies not spent in prior years and where is it. The BOD spoke of the projects that were budgeted but did not happen, thereby the cash not spent.

It was discussed the turnover from builder to homeowner association and how naive we all were to this as homeowners.

Advised the homeowners a Spring walk would be taking place with the landscaper to review the year's projects.

Discussed the Window Survey with homeowners and encouraged them to fill out the forms and submit to management.

Nick Falco stayed to speak to the BOD after the meeting ended. Nick stated he was very interested in running for a position on the BOD and stated, again, that in the meantime, if he can help in anyway, to please call on him.