

**Harvest Run Phase III
Board of Director's Meeting Minutes
May 16, 2006**

The meeting was called to order at approximately 7:50pm. at the Crystal Lake Public Library on Paddock Street in Crystal Lake.

Roll Call

Board Members present at meeting: Nick Falco, Mark Rekowski, Karen Mathes, and Tim Norris. Carol Brown of B.P. Management Services, Inc. was also present.

Approval of Previous Minutes

The meeting minutes from February 28, 2006 were approved unanimously.

Positions Assigned on the BOD for 2006

President	- Nick Falco
V.P. of Association	- Mark Rekowski
Treasurer	- Tim Norris
Director of Communications	- <i>currently vacant</i>
V.P. of Community Development	- <i>currently vacant</i> (However, Mark is still handling these responsibilities for the Association.)

For personal reasons and obligations, Karen has chosen not to return as a Board member. She wishes the group continued success in their on going mission to effectively serve the Association.

Per further discussion and review of the Association Declarations and Bylaws, the Board can fill vacant positions prior to the Annual Association meeting in May. Positions that have a year remaining in their term do not have to be re-elected in May if someone new fills the position prior to the Annual Association meeting.

Association Website

Some documents and information associated with the Harvest Run Phase III website may possibly still need to be turned over to the Board by Chris Kouzios. It has not been determined what remains in order for the group to be able to effectively update and maintain the website. This is currently being reviewed and investigated by Nick.

Association Attorney

Based upon the Board's recent dealings with the TGF lawsuit and the current Association attorney, Tim proposed that the Board investigate the possibility of finding a new attorney. The Board agreed that it did not feel that the current attorney was providing a high enough level of commitment and service. Everyone agreed that any new candidates for this should be experienced in dealing specifically with homeowner's associations and not just general law. The group will research this more in the upcoming months.

Financial Report

Carol presented summary reports and detail reports of all account activity through April 30, 2006. Information included a Reconciliation Detail Report, Income Statement, Balance Sheet, and Customer Balance Detail Report. The Customer Balance Detail Report shows all assessments collected as well as any late fees.

Old Business

1. **TGF Enterprises - Update** – Per direction from the Association attorney, the lawsuit has now been settled. TGF has accepted the Board's offer of \$1200 and agreed to drop the lawsuit. The Association attorney will process any necessary paperwork to show that this is now concluded and that the Association is not liable for any additional money or action levied against it now or in the future. Copies of any of this paperwork should be held by both the Board and BP Management to ensure that there are no future problems.
2. **Reserve Study** – The Board has asked that Carol verify that HBIS has now included realistic numbers and updated the reserve study. If required, new copies of the updated report should be distributed to the Board for review.

In conjunction with this information, Carol reiterated that the Army Corps. of Engineers no longer has authority over the Association wetlands per a federal ruling last year that specifically determines the definition of a wetland. After contacting the City of Crystal Lake, Carol found out that the city is currently in the process of establishing rules and guidelines for wetland maintenance within its boundaries. These rules and specifications should be made public by the end of this year. However, the city is asking that all associations formulate and submit a plan for maintaining their association's wetlands. The Board feels that the HBIS reserve study will help in determining this plan. The Board will try to determine a plan for the Association at a later date.

3. **Landscape Update** – It was discussed that a few of the parkway trees (3-4) need to be replaced. Depending on budget dollars, the Board may look into replacing these in the fall when the cost of trees is usually reduced by some of the local nurseries. In addition, it was decided that mulching trees on the parkway area is not necessary this year and that the money for this should be reallocated to other areas of the budget or to the reserve fund. It was also decided that pond maintenance treatments are probably also unnecessary for this year and that a controlled burn of the wetland areas be postponed until possibly next year. The Board will consider these items for next year, but it is not automatically or definitely planned.
4. **Budget** – The budget was discussed in some detail and certain allocations were changed to reflect decisions made by the Board. The following is a summary of the changes:
 - Landscaping – reduced to \$1500 in view of eliminating mulching
 - Attorney – increased to \$800 to cover presumed TGF lawsuit expenses still to be billed to the Association
 - Reserve study costs – changed to \$2000
 - Insurance – reduced to \$1435 to reflect the cost reduction in the policy
 - Pond and wetland maintenance – reduced to \$0 to reflect decisions made by the Board not to do any maintenance in these areas this year

Given these reductions in the budget, there is a \$3209 surplus. This surplus in conjunction with the 2005 surplus of \$4826 should give the Association a grand

total of \$8035 of additional money at the end of 2006. This money would then in all likelihood, barring any unknown capital expenditures or maintenance, be used to establish a reserve fund for the Association.

In addition to the information that was presented, it has been noted that there were some discrepancies in the dollar amounts in the budget reports that the Board received from BP Management. Nick has requested that all line items in the budget reports be reviewed and updated if necessary so that accurate comparisons may be preformed when required. Carol will handle this and distribute new reports to the Board for approval.

New Business

1. **Newsletter Status** – It was discussed and agreed upon that the new newsletter will be completed and available by the end of June. It will include summary information about the Annual Meeting as well as other pertinent Association information and events. As part of her final duties, Karen has agreed to write up the May 16, 2006 Annual Meeting Minutes, the May 16, 2006 Board of Director Meeting Minutes, and the 2nd Quarter News Letter.

Adjournment/Next Meeting

Meeting adjourned approximately 9:15pm. The next meeting is a Board of Directors meeting. The date and location are yet to be determined.