

**Harvest Run Phase III
Board of Director's Meeting Minutes
September 6, 2005**

Meeting was called to order at: 6:39 pm. at the Crystal Lake Public Library

Roll Call

Present at meeting: Chris Kouzios, Mark Rekowski, Nick Falco, Karen Mathes with Lynda Potas and Carol Brown of B.P. Management Services, Inc.

Positions Assigned on the BOD

Per the resignation of Alan Lamb due to relocation for his company, the following are the new BOD assigned positions. See more information under "Old Business".

Chris Kouzios – President

Mark Rekowski – V.P. of Association

(Allan Lamb – prior V.P. of Association – resigned)

Nick Falco – Treasurer

Karen Mathes – Director of Communications

V.P. of Community Development – vacant

Approval of Agenda

There were some changes to the Agenda.

Additions included:

- VII. OLD BUSINESS / Alan Lamb's resignation due to relocation
- VIII. NEW BUSINESS / Update on possible future wetland burn

Revised agenda approved unanimously.

B.P. Management, Inc. – Renewal Contract

Nick presented the information he researched regarding other local management companies and RFPs (Request for Proposal) that were sent out. Seven companies including B.P. Management were considered as possible prospects. However, there was only a written response from two of the companies contacted – B.P. Management, Inc. and American Management. Other companies indicated via telephone that our association was either too small to work with or that they were not currently accepting new customers. Three other companies were eliminated immediately due to lack of any response, price considerations, or previous experience in dealing with them. Therefore, based on price and the services that the Association requires, Nick recommended that B.P. Management, Inc. be renewed. The BOD vote was unanimous to accept the renewal of B.P. Management, Inc. Contracts were signed.

Approval of Minutes

Minutes from the May 17, 2005 Annual meeting was approved unanimously.

Financial Report

Lynda presented a summary of all account activity through August 31st, 2005. The full financial packet and bank statement for August will be made available to Nick shortly.

The accounts receivable summary was reviewed and indicated that the Association currently has one homeowner who has paid the year in full and one who still owes for a late fee. Discussion continued concerning what action should be taken given that this fee has remained uncollected for more than 90 days. Lynda indicated that per Association assessment policy, if this is not paid by October 15, 2005 (with or without the second half assessment), that the homeowner will receive a certified letter regarding the matter. The homeowner will then have 30 days to respond and make payment. If they do not, the matter should be forwarded to an attorney. Carol recommended that the BOD first attempt to collect payment via a collection agency given the cost involved in dealing with the attorney. Chris recommended tabling this discussion until a later date. The homeowner involved currently has landscaping issues with the Association landscaping contractor. The BOD is in the process of trying to resolve these issues. Depending on the outcome, the BOD may choose to waive the late fee. A final decision was not made.

Discussion continued regarding the monies collected from late fees. A report showing all late fees collected since 9/1/04 was reviewed. The cumulative amount of \$500 has been collected as of 8/31/05. The BOD has agreed that this should be used to open up a Reserve/CD/Money Market Account (whichever yields a higher return) as determined by the BOD. Carol additionally recommended that this account, if permitted by Association Decs and By-Laws, be established as a "contingency fund" rather than a "reserve", so that there would possibly be more flexibility with accessing the money if so needed by the Association. It was discussed that at a minimum, future late fees collected would be used to fund this account until another plan was reviewed. Nick asked what type of laws exist (if any) that require associations to maintain reserve accounts. Carol did not think there was a requirement and that the Decs and By-Laws would determine the necessity of such an account. However, Carol will research this information. Nick also indicated that he would pursue researching the legality surrounding these types of accounts and what the Association should maintain in order to appear responsible and ethical. The BOD agreed that some type of reserve account would be a good idea. This account must be created per the Decs and By-Laws for capital expenditures such as replacement of drainage areas, etc. Chris indicated that, given the current budget and operating costs, we will need to have a year-end budget projection in order to determine what monies are available and how/when this account is to be initially established. Lynda will provide this information to the BOD. This report will also help determine what money will be available for next year's budget assuming that all current costs stay consistent and that there are no surprises (additional legal costs per TGF issue, etc.) between now and the end of the year.

The tax information for 2004 has now been resolved. Initially, the accountant was unable to file these taxes by 3/15/05 due to information not being transferred from Northwest Property Management to B.P. Management Services, Inc. B.P. compiled the data obtained from various sources to enable the accountant to file taxes no later than 9/15/05. There is no evidence received to date that the 2002 (Foster Premier) or 2003 (Northwest Property Management) taxes were filed.

Management Report Old Business

1. **Alan Lamb Resignation** – Due to relocation for his company, Alan Lamb has resigned from the BOD. Alan's resignation was officially accepted unanimously. Per nomination and unanimous vote, Mark will now replace

Alan and accept the new title of Vice President of Harvest Run HOA. His term has now changed from one year to two years. The BOD voted that Mark's old position of Vice President of Community Development would remain vacant until the next annual election scheduled for May 2006. Mark will however, still perform the duties of his old position as well as his new position.

2. **Burn Update** – TGF has cashed the check for wetland burn for the BOD agreed upon amount of \$1600. Though wording on the back of the check, per the Association attorney, was written to indicate that the payment was made in full if this check was cashed, TGF has sought the assistance of a collection agency in an effort to collect additional money. The BOD has received bank copies of the front and back of the check and will forward this on to the collection agency with a letter indicating that the Association is considering this to be paid in full. Carol or Lynda will draft this letter. The BOD has agreed to monitor this situation with the collection agency to see what happens next. The BOD has agreed that the collection agency should contact TGF regarding this information.
3. **Window Replacement** – Results of the window survey were discussed. Unfortunately, there was not a good level of response from the homeowners. Only 13 surveys were returned. The offer from Touch of Glass was basically \$68 per window based on 13 homeowners proceeding with the replacement. Lynda indicated that based on the lack of survey responses, that trying to get the neighborhood organized to have a "mass" replacement on a specific day or two would probably require a huge effort. It would probably also not be cost effective to the Association regarding management costs based on hourly work required to organize the entire effort. In addition, Lynda noted that the replacement windows are lacking in quality and would most likely have to be replaced again at some point in the future (3 years?). Therefore, given this information, some homeowners may choose not to even participate but instead use a completely different product rather than to use the replacement windows offered from Capitol. Given all this information, Chris indicated that we should just stick the information out there and let people decide on their own what they want to do.
4. **Landscape Update** – The replacement of trees in the neighborhood was discussed. Currently the City of Crystal Lake is way behind in replacing trees on the parkways (Barlina, Crabapple, High Plaine) in the neighborhood. Initially planned for October, Lynda stated that the city might choose to push this off until next spring due to the drought and all the tree trimming they are doing. In addition, replacement of trees along the bike path was also discussed. However, due to the cost involved (\$650 for two trees), a final decision to do this has been postponed. The BOD felt that perhaps trees could be purchased in the fall when the prices come down.
5. **Resident Concerns** – To date, there have been no other complaints about the pond, the signs posted there, or any unauthorized algae treatments by unknown individuals. The only issue currently open is that of the maintenance performed on the bushes on the berm along Huntley Road, north of Autumn. It has been determined by the BOD per the subdivision plat, that the area of land existing on the berm and running through the landscape easement is considered common area and is thus to be maintained by the Association. In addition, it was determined that FOG does have professionally certified personnel that maintain the vegetation and that the maintenance in question, was done in accordance with the recommendations

- indicated for those type of bushes. Given this information, a letter from the BOD will be drafted to the homeowner indicating that while it is unfortunate that the bushes were trimmed a little too much, that the landscaping contractor was well within the contract agreement to maintain this area of the property. Thus, the bushes will not be replaced per request from the homeowner. Discussion however, will also take place with FOG to ensure that in the future the bushes are maintained with homeowner privacy kept in mind.
6. **Home Sales Update** - The information was reviewed. Four homes have recently sold (Wheaton - \$335,000, Lakeland - \$337,000, Dinmont - \$332,500, Wheaton - \$314,000).

Management Report

New Business

1. **Budget 2006** – Preliminary discussions were held on this subject. See Financial Report above for more information.
2. **Landscape Contract Renewal with Fields of Green** – The landscape renewal contract with Fields of Green was unanimously approved by the BOD with the stipulation that there is an “out clause” with such verbiage as “with no time to cure”.
3. **Sealing of the Bike Path** – The seal coating and repair of the bike path were discussed. Two companies (T.J. Seal Coating and Hastings) were reviewed. Concerns about the proposals regarding the removal of weeds/debris and the patching of cracks prior to sealing were also discussed. After reviewing all the information, the BOD decided that T.J.’s would be awarded the contract provided their proposal was updated to make reference to the weeds, debris, and cracks. Carol will contact them regarding scheduling this when the weather permits.
4. **Controlled Burn** – Discussion took place regarding whether or not we want to burn the wetland areas in the Association that were not done properly by TGF. According to the City of Crystal Lake, wetland burns do not have to be done each year to maintain them properly. The BOD agreed that more information on this matter must be compiled before making any decision on future burns. Carol indicated that a contract company called Pizzo and Associates would be willing to give a presentation to the BOD on their procedures and recommendations for a wetland burn of our Association’s property. Carol, will look into setting this meeting/presentation up on a future date. Mark also indicated that more information might be obtained from someone he knows from the Lake County Forest Preserve. Karen indicated that information might also be obtained from the Schaumburg Nature Center and Volkening Heritage Farm. Carol agreed to look into this.

Adjournment/Next Meeting

Meeting adjourned approximately 8:45pm.

Next meeting is currently scheduled for Wednesday, October 19th, location TBD.