

Ninovan Home Owners Association
Annual Meeting
October 14, 2011

Board Members Present:, Tim Manning, Margo Bachner, Dave Deahl, Mike Mass, Kerri Courtright, Cyndi Campbell

Absent: Lori Casey, Keith Erchinger, Jim Herman, Diane Gifford

Home Owners Present: Pat Gleason, Butch Cooper

Motion to approve the agenda by Kerri, Second Tim, All in favor.

Motion by Margo to suspend the meeting citing Article IV, Section 3 of the bylaws regarding 30 day notice of the Annual Meeting. Second Tim: A discussion regarding if the publishing of the annual meeting on the web site and schedule being set a year in advance was sufficient notice. Aye: Margo, Cyndi. Nye: Tim, Kerri, Mike – Motion Denied.

Motion by Mike to hold the meeting subject to further review with the understanding that any actions taken at this meeting may need to be ratified again at a future meeting. Second by: Kerri, Aye: Tim, Kerri, Mike Nye: Margo, Cyndi – Motion Carried

Treasurer's report was presented as attached:

General Discussion:

- Would like better treatment of weeds and algae on the beaches (Cyndi)
- Would like to have the status of the fish population tested by the DNR again (Pat)

Election of Directors: (Without a quorum of members the board appoints open positions)
The reappointment of Tim Manning, Lori Casey, Kerri Courtright, Cyndi Campbell, Jim Herman was presented. All Members present voted in favor.

Motion by Mike at the request of Keith to increase the budget for trees from \$2000 to \$2800. He is looking to plant about 10 trees on the berm at the cost of about \$200 each. Second by Tim. All in favor.

An executive session was held to discuss the issue of voting rights and director position. The matter was tabled to further review and legal counsel.

Next Meeting is set for January 6, 2012 7:30 PM at the Village Hall
Agenda: Budgets & Dues for 2012

Treasurer's Report

Expenditures:

Insurance	\$755.00
Taxes	\$13.78
Legal	\$337.50
Postage	\$8.80
Lake Weeds	\$3128.00
Socials	\$897.80
Landscape	\$2031.00

Projects:

Landscape	\$94.00
Access Lot:	\$1307.56

Total Expenditures \$8573.44

Income:

Total Current Dues Collected	\$12350.00
Past Dues Collected	\$3700.00

Total Income: \$16050.00

Uncollected Dues:

2011	\$4,225.00
2010	\$3,300.00
2009	\$2,900.00

Savings Total	\$11,876.02
Checking Total	\$10,257.20

E-Mail Discussion regarding Executive session Issues:

From: Mike@ninovan.com [<mailto:Mike@ninovan.com>]

Sent: Sunday, October 16, 2011 2:05 PM

To: Dave Deahl; manningt看im@yahoo.com; Keith J. Erchinger; Mike@ninovan.com; Cyndi Campbell; Di4designs@comcast.net; Margo Bachner; kerric@katewwdb.com; jimherman@vzw.blackberry.net; Lori Casey

Subject: Re: HOA Bylaw & Covenant Questions

Pardon the lengthy e-mail.

I was reviewing the questions raised at last Fridays meeting regarding the covenants and bylaws so that I could send it to the lawyer and found the following:

Regarding the meeting notice issue that was raised. Article IV SECTION 3 was cited at the meeting. Article IV more completely is as follows:

Article IV

(Annual meeting changed to October by the board – October, 2006)

SECTION 1. Annual Meeting. The annual meeting of the Members of the Association shall be held each year commencing in the year 2006 on the second Friday of February, at the hour of 7:00 o'clock p.m. at a place set by the Board of Directors. The Board of Directors may change the place of meeting provided that any such change shall be stated in the notice and call of the annual meeting. Written notice of all meetings must be mailed to each Member of record by the Secretary at least thirty (30) days prior to such annual meeting. Notice of any annual meeting may be waived in writing by any Member's attendance at any such annual meeting.

SECTION 2. Special Meetings. Special meetings of Members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, or by a majority of the Board of Directors, and shall be called by the President upon the written request of the Members who are entitled to vote $\frac{1}{4}$ of all of the votes of the Association. Business transacted at all special meetings shall be confined to the objects or purposes stated in the call; however, notice of any special meeting and consideration of business other than that stated in the call may be waived in writing by any Member and will be considered as waived by his attendance at any such special meeting.

The Board of Directors may designate any place within Grundy or Will County, Illinois, unless otherwise prescribed by statute, as the place of meeting for any special meeting of Members called by the Board of Directors. If no designation or place of meeting is made or if a special meeting were called by other than the Board of Directors, the place of the meeting shall be at the principal place or office of the Association.

Article IV SECTION 3. Notice of Meetings. Notice of annual or special meetings may be written or printed. Notice of any annual meeting shall be deemed satisfactorily given if delivered in person to any Member of record or if mailed to any such Member not less than ten (10) days nor more than thirty (30) days preceding the date of any such annual meeting. Notice of special meetings shall be deemed satisfactorily given if delivered in person or mailed not less than five (5) days nor more than thirty (30) days prior to such meeting. If mailed, such notice shall be deemed to be delivered when deposited in any United States Post Office with postage prepaid addressed to the Member's last known mailing address as it appears on the stock ledger of the Association.

As you can see Section 1 and Section 3 conflict in definition of notice to members. Section 1 would require notice at least 30 days prior to the meeting and Section 3 would require it 7 to 30 days prior to the meeting. It is hard to

satisfy both requirements. That being said I believe the intent of section is that any changes or special meetings would require the 7 to 30 day notification. That is, If we had postponed the meeting we could not have had it until 7 days after we sent the notification and must have had it within 30 days. Since we had the meeting on the prescribed date I believe we only need to comply with Section 1. Notices were included in all prior mailings and on the web site. There is some interpretation involved here so it may be a good idea to look at rewording these section to clarify and include wording to include current technology (E-mail and web site publication). We could include publication of the minutes as part of this. (This may be in a different section of the bylaws)

Regarding the issue raised with voting rights and directors I am not sure what section was cited at the meeting but I found several sections relating to the manner:

Covenants Article III Section 3.01. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all those Owners as defined in Article II, provided that the Declarant shall not be a Class A Member until the Transfer Date. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article II. When more than one person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. All Members holding any interest in a single Lot shall together be entitled to cast only one vote for the Lot.

(...Class B membership are un-sold lots...)

Bylaws: Article IV SECTION 6. Voting of Members. Each Member with voting power shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

My understanding is that the HOA has been notified by the prior owner of record of the sale or at least that there is another interested party. Under the covenants and bylaws the vote for this lot "shall be exercised as they determine" and as such any vote cast by one of the interested parties must be considered as valid.

Bylaws: Article V SECTION 3. Number, Tenure and Qualifications. The number of directors of the Association shall be not less than five (5) persons who shall be elected at the annual meeting of the Members by a plurality vote for a term of two (2) year. The Members may elect more than five (5) directors, but not more than eleven (11), if they so choose. Each director shall hold office until his successor is elected and qualified even though his tenure of office should thereby exceed two (2) year.

The number of directors of the Association and their respective terms of service may at any time be increased or decreased by vote of the majority of Members entitled to vote at any regular or special meeting of Members if the notice of such meeting contains a statement of the proposed increase or decrease. Provided, however, that the minimum number of directors shall be five (5) and their minimum term of service shall be two (2) year. In case of any such increase, such additional directors shall hold office until their successors are duly elected and qualified. It shall not be a requirement of the office of director that such person be a Member of this Association.

The last line of this section clearly indicates that membership is not a requirement of being a director.

The full text of the Covenants and Bylaws are on the website. I would encourage you to look at them in their entirety. Like any legal document it is easy to take things out of context without and understanding of the "Intent of the document".

Approved by the board via E-mail

October 14, 2011

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Given this information does the board still want me to contact the lawyer and incur the cost associated with having the lawyer interpret the bylaws?

If the board concurs with the interpretation, should we include this in our minutes as actions from the executive session

Concur with interpretation, Do not contact Lawyer(5): Keith, Mike, Jim, Diane, Tim