

**Stilling Woods Estates
Homeowners Association
Board of Directors Special Meeting
May 24, 2007**

Board members:

Present: Rick Rhoads, Joanne Dettmann, Terry Howard, Paul Whittenhall, Trish Spengel

Absent: none

Also present: Attorney Sam Melei

Proceedings:

-Call to Order: 7:40 p.m. by President Richard A. Rhoads at the home of Joanne Dettmann.

-Minutes from April 23, 2007 meeting and May 10, 2007 special meeting approved unanimously.

Old Business:

-The board called this special meeting with attorney Sam Melei to clarify questions concerning procedures for establishing an assessment.

-Rhoads stated we've been operating under the covenants because there are no bylaws and the covenants say the board has the right to levy an assessment so we are not operating illegally.

-Melei stated that covenants are a foundation for a not-for-profit homeowners association. In order to comply with not-for-profit laws and the Condominium Act which covers homeowners associations, the association must have bylaws in place to outline how the board operates and what procedures to follow. The board could choose not to follow the rules, but that may lead to legal challenges regarding assessment collection. Melei said the board should send out a proposed budget and letter regarding the proposed assessment to all property owners and hold a meeting to approve those two proposals. The property owners must have 30 days to review the proposed budget and at least 10 days notice for the meeting.

-The board agreed to follow the procedures outlined by Melei.

-The board agreed on a proposed budget and to hold a meeting at 8 p.m. July 2, 2007 at State Bank of the Lakes in McHenry to vote on the budget and assessment.

-Spengel will write the letter to property owners and reserve the meeting room at the bank. Dettmann will put together the proposed budget and mail it with the letter to property owners by June 1.

Next meeting: July 2, 2007 at State Bank of the Lakes in McHenry.

Meeting adjourned at 8:45 p.m. by President Rick Rhoads

Minutes submitted by Secretary Trish Spengel