

**Stilling Woods Estates  
Property Owners Association  
Board of Directors Meeting  
October 24, 2007**

Board members:

*Present:* Jonathan Grandt, Trish Spengel, Steve Spizzirri, David Trebacz, Michael Zelek

*Absent:* None

*Also present:* Laurie Kobeszko, 1813 Vivian Way

Proceedings:

-Call to Order: 7:40 p.m. by Trish Spengel at State Bank of the Lakes, McHenry.

-Board of Directors election results from October 15, 2007 approved unanimously. Copy of results included in these minutes.

Finance Report:

-Spengel presented the association's outstanding bills. They are as follows:

\$2,000.00 - legal retainer

\$1,250.00 - dispute 07-01

\$ 250.00 - bylaw preparation by attorney

\$ 148.75 - reimbursement of expenses – (Trish Spengel)

\$ 243.89 - reimbursement of expenses – (Rick Rhoads)

-Spengel presented the list of assessment collections. Of the 69 properties in the association, 33 have paid the assessment. There are 36 properties that have not paid the assessment. The bank account balance as of Oct. 24 is \$8,258.15.

-Motion by Zelek to pay outstanding bills; seconded by Grandt. Motion passed unanimously.

-Motion by Spizzirri to reconsider paying outstanding bills; seconded by Grandt. Spizzirri said he thinks the board should reevaluate the assessment to determine whether it was the right amount to charge and then consider reducing the amount and refunding what has been paid and then collecting what is needed before spending any money. Zelek said it was a good idea to take things slow that would make a major impact on homeowners, but that many of the homeowners have agreed with the assessment by paying it. Trebacz said the association has outstanding bills that should be paid. Spengel said the attorney has been on retainer since April and has submitted several bills for payment that have not been paid. Spengel said the bills will continue to come; money is also needed for insurance and the association needs funds to operate. Motion passed. Ayes:Grandt, Spizzirri, Zelek. Nays: Spengel, Trebacz.

New Business:

-Appointment of Officers:

President – Trish Spengel

Vice President – Michael Zelek

Secretary – David Trebacz

Treasurer – Jonathan Grandt

-Motion by Zelek to pay all outstanding bills as presented; seconded by Trebacz. Spizzirri said he is against paying any bills with money that isn't ours and that the board should reevaluate the assessment because some homeowners thought the assessment was too high. Trebacz said as a homeowner he paid the assessment so the board could do with it what they felt necessary and that the present board may decide a different way to spend the money, but it is still needed for the association to run. Zelek said whatever happens going forward will be determined, but we still have outstanding debt for services provided. It was stated that homeowners were under the impression that the \$250 assessment was going to be collected each year. Spengel said the assessment was not an annual rate and that it was the intent of the previous board to set the initial assessment at \$250 as a start up because the developers had not collected any fees and did not provide the board any money to operate. Any future assessments, if and when needed, would be determined by the board that is in place. Motion passed. Ayes: Grandt, Spengel, Trebacz, Zelek. Nays: Spizzirri. Spizzirri said he is not against paying bills; he just doesn't want to now at this time until the assessment is reviewed.

-Spengel presented the board with a proposal by Beth, Rudnicki & Low Insurance Agency in McHenry that was given to Rick Rhoads in April 2007 for general liability and D&O insurance for an annual premium of \$659. Zelek questioned whether the coverage was adequate and reviewed by an attorney. Spengel said nothing was done with insurance because the association had no money to pay for it. Zelek agreed to seek quotes for insurance and find out what coverage is appropriate for the association and board.

-Grandt, Spengel and Spizzirri agreed to sign the signature cards for the association's bank account at State Bank of the Lakes in McHenry. Two signatures will be required for every check written.

-There was some discussion about state filings for the association. It was unclear what exactly was required. Spengel will contact the attorney to get a list of what is required of the board. Zelek suggested the board hold a workshop meeting with the attorney.

-The board agreed to hold its regular meetings at 7 p.m. on the fourth Tuesday of each month at State Bank of the Lakes in McHenry. The December meeting will be held at 7 p.m. Wednesday Dec. 17 because of the holiday.

-There was some discussion about the draft bylaws the attorney had provided the previous board. Spizzirri said the draft should be given to all homeowners for their input before the board makes revisions to send to the attorney. It was explained that the draft is a generic document used by many associations and has not been tailored to conform to Stilling Woods covenants. Spengel said the previous board went through the draft, conferred with the attorney on revisions and then went through the document line-by-line and submitted revisions to the attorney. The previous board decided to put the bylaws on hold for a new board to approve. Spengel said that although it is good that we can all have input on our bylaws, that is not usually the case, as bylaws are a legal document that should have been adopted at the same time the covenants were. But the developer did not do that and we need to correct that mistake as soon as possible in order to operate properly. Spizzirri said the bylaws include too much legal wording and should be rewritten so that everyone can understand what it says. Trebacz and Zelek said homeowners should be included in reviewing the bylaws but after the board has made revisions based on attorney advice. Grandt agreed, adding that bylaws could be amended

by a vote. Spengel will send each board member a copy of the previous board's revisions and the attorney's responses.

### Other Business

-Spizzirri said he wants the board to communicate with homeowners and find out how they want to be contacted – either by postal mail, e-mail, flyer or some other means. The board agreed that e-mail was a good idea and could save on mailing expenses. Spengel said that since the association does not have bylaws in place, it is governed by the covenants and the Not For Profit Corporation Act, which sets forth requirements for informing members of board actions. Bylaws would make that more specific to us as would our own intentions to keep members informed. Spengel proposed writing a letter to property owners informing them of the board's proceedings since the election. The board agreed the letter should include items such as identifying new officers, explaining the review process for the bylaws and stating that the assessment is not an annual, but an initial, fee. The letter will also include a section for property owners to respond how they would like to be contacted. Trebacz will mail the letter after review.

-Spengel said the board needed to address the issue of property owners who have not yet paid the assessment bill. It was suggested a friendly letter be sent to the owners who have not paid reminding them of the due date. The board must uphold and enforce the covenants, which state, members have 30 days after the due date to pay before a fine is added and a possible lien placed on their property. With a due date of Sept. 30, the 30-day grace period would end Oct. 30. Spizzirri said the board shouldn't enforce what the previous board did in case the assessment is decreased. He said some homeowners said the assessment was too high and that the entrances could use maintenance, but did not need new landscaping. Spengel said other homeowners have said the opposite – that the entrances were an embarrassment and did not reflect the quality of the homes inside and that landscaping was necessary in order to maintain property values. Spengel said the developers should have adequately landscaped the entrances, but they didn't and now we have to move ahead and take care of it. Spengel suggested the board allow another 30-day grace period for those who haven't paid since the board was in transition and that it would give homeowners a chance to catch up without penalties. Motion by Spengel for the board to mail a friendly reminder letter with a 30-day grace period ending Nov. 30; Seconded by Trebacz. Motion passed. Ayes: Grandt, Spengel, Trebacz, Zelek. Nays: Spizzirri.

-Zelek proposed and board members agreed that board members should not contact the attorney individually in order to keep rates down and communication open. Board members should submit questions to the board president and send a copy to all other board members.

### Public comments

-Laurie Kobeszko said the board should not allow the president or an individual board member to sign documents or take actions without board approval. She presented the board with a document dated Nov. 24, 2006 signed by former association President Rick Rhoads that purported to terminate two properties from membership in the association. Spengel said she knew nothing of that document and Rhoads made no mention of it to the board after she informed them of the rezoning of those lots when she learned of it last spring. Spengel said the board was elected in August 2006, held its first meeting that October and was unaware of that document and did not authorize Rhoads to sign it. Spizzirri said the meeting minutes taken on

March 12, 2007 reflect there was some discussion regarding the rezoning of lots 1 & 2 at the Lincoln Road entrance from residential to commercial use.

Closed session

-The board convened to closed session to discuss possible litigation.

-Spengel proposed and board members agreed that the board instruct the attorney to refer all homeowners and attorneys of others who might contact him to inform the board before responding. This would likely reduce unexpected legal costs and allow the board to resolve issues and avoid a legal dispute.

Next meeting: 7 p.m. November 27, 2007 at State Bank of the Lakes in McHenry.

*Meeting adjourned at 10:20 p.m. by President Trish Spengel*

*Minutes submitted by Secretary Dave Trebacz*

**Stilling Woods Estates  
Homeowners Association  
Board of Directors Election  
October 15, 2007**

An election was held at 6:30 p.m. State Bank of the Lakes in McHenry for five (5) positions on the Board of Directors. A total of 48 ballots were collected in person and by proxy. No ballots were invalid.

The results as tallied by property owners Megan Miller and Lisa Maire were as follows:

Jonathan Grandt – 25 votes  
Greg Greenhill – 19 votes  
Laurie Kobeszko – 9 votes  
Kellie Kozma – 21 votes  
Trish Spengel – 30 votes  
Steven J. Spizzirri – 28 votes  
David Trebacz – 28 votes  
Diane Vida – 11 votes  
Paul Whittenhall – 21 votes  
Michael G. Zelek – 28 votes

The following five candidates received the most votes and were elected as the new Board of Directors: Trish Spengel, Steven J. Spizzirri, David Trebacz, Michael G. Zelek, Jonathan Grandt.