

Holiday Shores
Board of Directors Meeting Minutes

Date: March 30th, 2016
Special Meeting

Attendance

Board Members

Present: Bob Lowrance, Roger Rawson, Rich Hertel, Monte Thus, Jim Perotti, Dave Decker and Darren Onwiler.

Quorum Present: Yes

Others Present

Glenn Dalton, Rob Frey, and Brandy Pickett from the Holishor Office.

Holishor Members Present: 56

Proceedings

Meeting called to order at 7:30 PM

Pledge of Allegiance Recited

Bob Lowrance – We have called a Special Meeting for this evening, because the Annual Meeting is May 21st, 2016. We have to get out information to the Holishor Association Membership at least 40 days prior to the Annual Meeting. That information would need to go out by April 11th, 2016 and our next regular scheduled meeting is April 13th, 2016.

Ballot 1 – Budget

Monte Thus – The Board had approved on March 9th, 2016 to submit our 2017 proposed budget to the Annual Meeting. **Bob Lowrance** – That has already been approved I just wanted to confirm.

Ballot 2 – Minimum Wage

Bob Lowrance – Last year we had talked about the Minimum wage going forward. This is a continuation of last year moving forward. If the minimum wage is raised by the State of Illinois we will be required to increase the minimum wage with respect to what the State requires. We have not budgeted that, we want to get ahead of the game to make sure that gets done. **Dave Decker** – The ballot is to give the community the opportunity to choose how the association membership will handle an increase in the minimum wage.

Dave Decker – Motions to add the Minimum Wage ballot on the agenda to cover the 2017 budget. **Roger Rawson** – Seconds.

Action: Motion Carried

James McCann 378- In addition to the minimum wage, the overtime exemption law is going to change July 1st, 2016. It may have an effect on some of our employees that are salary. It will change the threshold on which they will have to be paid over time. It will affect a lot of business and I am not sure if it will affect Holishor. It may be something that needs to be considered, people that were once considered exempt at one point was \$475.00 per week. The new threshold is going to be over \$50,000.00, anyone who is currently making less than that is currently exempt from overtime. I was not sure if that is something that should be looked along with the minimum wage.

Bob Lowrance – that is for anyone making less than \$50,000.00? **James McCann** – It is for any employee that you may have now, that maybe exempt from overtime because of their job description. I am pretty sure that there are other employees that may fall into that category and could affect the budget if their workload stayed the same, that could affect our budget. **Dave Decker** – you said that dollar amount was \$50,000.00? **James McCann** – I think that number is \$50,240.00. **Bob Lowrance** – Glenn, do we have any employees that would fall into that category? **Glenn Dalton** – We have two. I will follow up with Jim after the meeting so that this can be further researched. **Bob Lowrance** – Does the Board believe that this should be added to Ballot 2? **Darren Onwiler** – Yes, if this is a potential cost to the Association. We are providing this to the membership to potentially cover the cost increase in the budget. If this new law goes into effect and increases Association costs then I do believe that needs to be

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covered. **Bob Lowrance** – Do we want to include this into the same Ballot 2 item? **Dave Decker** – Did you say this would take affect this year? **James McCann** – It was in Executive Order that was put down by President Obama last year and has been before wage and hour now for approximately 12 month. It is already there and the only thing that not been iced is the effective date. Right now the tentative date from wage and hour is July 1st, 2016. **Dave Decker** – From that perspective this could be in affect this year and we are going to have to cover this in our budget this year. I cannot imagine that we have that much overtime that it would affect our budget to change what we are charging in dues. **Darren Onwiler** – We need to research this and find out what the possible impact is going to be and if it is a significate impact we will have to compensate it in some manner. **Glenn Dalton** – It will impact our budget but not a significate impact. **Dave Decker** – I would not suggest this being added as an item, we do not yet have enough information and we can manage to make sure it is not a major impact.

Bylaw Change Boarding House-

Bob Lowrance – Is this something we would like to look at tonight? **Dave Decker** – I do not have a proposed bylaw change in front of me and I would not vote to add it to the Annual Meeting without seeing it. **Bob Lowrance** – This is something we looked at earlier this year. **Roger Rawson** – If I am not looking at it now, I do not recall what it said.

Petition Submitted to extend Dock Length –

Dave Decker – That petition was submitted to the Secretary and to the office to validate it met the criteria and I have yet to hear the outcome. **Glenn Dalton** – There were 150 signatures submitted and 31 of those we not members in good standing. We currently have 119 signatures. **Monte Thus** – What is the number need to submit a petition? **Glenn Dalton** – We would need 120. **Dave Decker** – According to the bylaws “If the Board rejects the proposed bylaw change, the same shall be submitted to the membership upon the presentation to the Board of a petition requesting the same said change being submitted to the membership for approval or disapproval by them, said petition to be in writing and signed by a minimum of 10% of the membership in good standing or more of the Association. The signatures should include the name, lot number, and the member’s signature.” Our last property transfers on 3/4/2016 stated that there were 1256 members. **Darren Onwiler** – I would assume that he would have the same 40 days. If he meets the criteria then it should be brought forth. **Dave Decker** – I think that you should go by the bylaws. I am challenging weather or not we are doing that. Our responsibility is to our by-laws. **Rich Hertel** – Darren are you saying that if he gets the required signatures within the 40 days we give him a contingent approval? **Bob Lowrance** – If submitted by April 11th, 2016 it would give the 40 days required to have the signatures and our next regularly scheduled meeting is not until April 13th 2016, which would have been to late. **Rich Hertel** – If we contingent the approval on him getting the approved signatures by the 5th of April, hypothetically, we include them onto the ballots. Joe has done a lot of work on this. **Joe Roth** – If I need more signatures I can have them by 9am tomorrow. Out of 153 people I have talked to I have gotten 150 signatures. **Darren Onwiler** – Proposed changes to the bylaw should be presented to the Board of Directors at a regularly scheduled board meeting for the review and approval. If the Board approves then it should be presented to the membership at a regular meeting or a special meeting called for the purpose of considering said change. **Glenn Dalton** – This is actually a rule. **Dave Decker** – This is a bylaw if it is submitted at the Annual Meeting. **Joe Roth** – Originally I came to the Board asking for a rule change. Dave, you told me that there were not any reasons given that you would consider changing that. I then said that there were 150 people that would disagree with that. I feel this Board is not using good judgement and that is why I would like to submit this as a bylaw change. There have been many of variances given, even a 32 foot variance where Lakes and Dams did not recommend. I will get the signatures needed to create a by-law since you would not consider a rule change. **Rich Hertel** - The issue is that it would have to be submitted at a meeting and that would be after the 40 days. That is why I had asked if we could submit on contingent of approved signatures.

Rich Hertel- Makes a motion to give a contingent approval to extend the dock length to 20 feet on the main channel. There are areas that are not recommended to extend.

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Joe Roth – I have talked with Lakes and Dams and there are two areas that would not be recommended to extend to 20 feet. I would like this Board to treat everyone equally and not give this person a variance and others any variance. **Rich Hertel** – With the exception of the two areas that are not recommended by the committee would you be ok with not approving the existing docks in that area? **Joe Roth** - No I am not proposing that, you missed the opportunity to change this as a rule and you cannot change the by-law proposal now. **Dave Decker** – You are correct, Joe. **Monte Thus** – Do we have people in here that would sign your petition tonight? **Bob Lowrance** – Walk around and get the numbers you need and come back and talk to us. **Dave Decker** – What Darren had stated it must be submitted to the Board at a regularly scheduled meeting. I just want to make sure this Board is following their Covenants and By-Laws. **Scott Webber 909** – Even though we have disagreed in the past with something and someone came to us with a petition we would re visit it. 150 signatures are more signatures on a petition that I have ever seen. I think the rule aspect is better and the number of signatures that he has provided at least warrants another look. **Dave Decker** – The way this was presented to the Board was Joe gave us a story and said if we didn't vote for it then he would submit a petition. There was not a whole lot of opportunity to talk after that other than that night. **Bob Lowrance** – No, we had turned him down previously. **Dave Decker** – You are right because he did not bring anything to the Board other than his own personal opinion. Once he brought the petition there is no longer a need to talk about it because he has a petition to submit as a by-law. **Joe Roth** – I asked you to reconsider to change that rule. **Dave Decker** – I said that I didn't have anything to change my mind on that stance. **Joe Roth** – That is correct. **Dave Decker** – You said that your hands are now tied and presented a petition for a by-law. After that there is not much we can do except validate the petition and put it into the Annual Meeting as a by-law. **Joe Roth** – That is correct. I think you made it sound like I said do it or else and that is not the case. **Darren Onwiler** – I think there may have been a difference of opinion if you had presented the signatures and asked for a rule change. **Joe Roth** – That is insulting to me, I am a citizen of this community; I have to get a bunch of citizens before you will listen? **Darren Onwiler** – We did listen. I have explained to you that when you made your argument, the variances that I have been voting, I look at on an individual basis based on the position that they are on the lake. Based on what I looked at on safety is where I made my decision and to the remainder of my term I will continue to do that. When one person comes to us, we will listen to you, but this carries so much more weight to me. I was elected to act on the best interest of the community. Something like this tells me that a good portion of the community wants a change. I am not going to change something based on one person, however if you came representing all these people, that would carry more weight with me.

Conversation Ensues... **Darren Onwiler** – Being that this was presented at an earlier meeting I feel that you meet the criteria. **Dave Decker** – If you truly believe that this should be submitted as a rule change then I would recommend you do not submit this as a bylaw. Use the fact that you have this many people behind you and try to convince the Board. **Joe Roth** – This will not forward because this is a special meeting. **Bob Lowrance** – Because there were errors on our part and Darren is trying to make a motion to rectify that by going back to the date this was presented. **Roger Rawson** – If you make this a by-law it will be harder to change down the road. **Joe Roth** – That is why I had originally asked you to change the rule. **Roger Rawson** –You can use the petition as a rule change. **Joe Roth** – You didn't think I was important unless I got 150 more signatures. Did you ask the people their opinions? **Darren Onwiler** – The rule rule that we start the process to change the rule. In my opinion, if it is going to be 20 feet it needs to be that for everyone. This number of signatures carries weight for me. I feel confident that you could get the motion for the rule change. **Joe Roth** – I think that now it is in the open, I would consider a rule change. I didn't want a by-law created; I wanted this to be a rule. **Bob Lowrance** – I think that this needs to be a rule change and I think that the ones that were opposed and may now be in your corner. **Joe Roth** – I will speak for these 150 people and say let's go with the rule change. **Charlie Meyers 857** – The top of this petition was an option to put it on the ballot for a vote not to make the change immediately. **Darren Onwiler** – “We the undersigned residents in good standing of Holiday Shores hereby petition the Holiday Shores Board of Directors to change the dock length rule from 16' to 20' on the main channel lake. Currently the rule states that a boat dock can be 20' in coves, while allowing a dock to be 16' on the main channel. Since this rule has been written buoys have been placed 75' from the shore making no wake areas inside the buoys. Our rules allow runabouts to be 22' in length and pontoons to be 28'. This means on a 16' dock a boat could extend as much as 12' past the dock into the main channel however; this still provides 47' of no wake for safety. The 20' dock would offer more protection for

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the boat and make it safer for the passengers to enter and exit. Therefore by signing this petition we can bring this proposal to a vote by our residents.” As Charlie has stated this is asking the membership. **Roger Rawson** – This would have to be 30 days posted. **Monte Thus** – We have to start the clock and then let the membership talk about it. If it is 30 days, we could vote on this in May. **Darren Onwiler** – It has to be displayed for four weeks.

Darren Onwiler – Makes a motion to start the clock for a rule change, to change the dock length from 16’ to 20’ on the main lake channel. **Roger Rawson**-Seconds.

Dave Decker – The clock has been started for discussion and will be discussed for 30 days then to be voted on.

Village Incorporation Committee

Bob Lowrance – The committee asked the Board to do a presentation of the Village Incorporation at the Annual Meeting. They also asked to do a straw vote at the meeting for this to be put on the Ballot in November. **Rich Hertel** – They originally requested a meeting after the Annual Meeting. **Roger Rawson** – I also understood that the presentation was to be after the meeting. **Bob Lowrance** – They are requesting the presentation to be an agenda item and part of the Annual Meeting. **Dave Decker** – There was a large contingent at the last meeting and they felt very strongly that the membership should be involved in the decision as to whether or not we should move forward with the idea of becoming a village. **Bob Lowrance** – I agree. **Dave Decker** – With that in mind, I believe that we should have the committee do the presentation as a part of the Annual Meeting. We should have the membership vote to continue to looking into becoming a village. We should not be rushing to get this on to the ballot in November which is what the committee was recommending. The Committee was recommending coming to the annual meeting and getting people to sign a petition either prior too or part of the meeting. My personal opinion is and from the majority of the people that I have talked to. All have said that this shouldn’t be on the ballot for November, there are too many questions. The member received a letter from 5 of the ex-presidents of the Association saying that we are moving too fast, I think we should follow the advice of those who have served and been a part of this Association. I think that we should present this at the Annual Meeting, let the membership vote whether or not to pursue it, and part of that vote is that we do not put it on the November ballot. **Darren Onwiler** – I would agree with the points made by Dave. The scope of this kind of change is huge and there are a lot of different factors that will affect many people in many ways. I agree that this needs to be presented at the Annual Meeting to see if this is something that the community wants to pursue. I think we should do our due diligence and making sure that we have a very clear picture of what it means to go forward with this and how it will affect our community. **Bob Lowrance** – The committee asked me to present to the Board what I have presented. I do agree there should be a presentation at the Annual Meeting and there should be a straw vote. The community going forward that needs to do this. **Dave Decker** – I have a packet that was sent to the board at the last meeting and item 22 “what happens next” “the community decides” The Resident of Holiday Shores and registered voters in a proposed area will be asked to sign a petition to be listed on the ballot. If the petition effort is successful the residents will have the opportunity to vote on the Incorporation of Holiday Shores. This came from the Village Committee in our packet at the last Board Meeting. **Bob Lowrance** – That was part of the presentation that’s correct. However that is not what the committee asked on the agenda for tonight. **Rich Hertel** – The letter was submitted by former presidents of the association and one of the statements that they make is that “we very much would like to see this become a reality” they are for the proposal of trying to get this incorporation done. Now it is a matter of working together on the way it should be done. It isn’t just Holiday Shores that will be a part of this project and there are others, neighbors, that will be involved approximately 300 more people and I think that they should also have a say on how it happens. **Bob Lowrance** – For those saying this is moving too fast, the Village Committee began working on this in June 2014. If it does go to the ballot, it will have been worked on for two and a half years. **Dave Decker** – No one that I have talked to against the incorporation, they are concerned for it to go to the November Ballot this year. **Roger Rawson** – I do not think that I have received enough information to present a vote. There have been a lot of questions that have been asked about the incorporation that have yet to be answered. I do not think this should be on the ballot in November. **Rich Hertel** – This is a tremendous opportunity that should not be taken lightly. Many of communities have recently done this. **Bob Lowrance** – The presentation

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was a bunch of what ifs and the Board decides. The committee is just asking that they do a presentation and a vote. And that vote would be for whatever the board decides. **Scott Webber 909** – I disagree with your comments Bob. Andy and Mr. Scheibal both pushed the comment to take it to a vote of the people and not the association. That is what prompted a majority of our concerns. We are for the incorporation but this is moving too fast. The first time we have heard anything about the Incorporation was at the last meeting. **Bob Lowrance** – The committee after discussion agreed with a vote of the membership, and there was a presentation on this a year ago as well and the information was updated. **Scott Webber** – If you are going to have the Committee present after the Annual Meeting and get signatures knowing that they only need 200 signatures to get that on General Election Ballot, what is stopping them from doing that? **Bob Lowrance** – Our decision tonight as a board will be whether or not we them and their official capacity to move forward or not. They are a committee of the Board and it is up to the Board to approve it. **Scott Webber** – A few of the concerns from our letter I would like to highlight. First being the cost, I think the benefits are great but there are significant costs to become a village. After two and a half years of working on this to say that you do not know what the costs is that is a concern. This is a big deal. It took more than five years to change the covenants. You talk about taxes, when the village is formed the very next day the Village Board can vote for a 2% tax increase across the board tax. Those that would be elected as Village Board may have different views than you do. Day one everyone could get a tax increase of \$800 to \$1800 just depending on the their property, because you have got to fund the village. The Benefits that you listed, those are grant driven. **Bob Lowrance** – I disagree, Motor Fuel Tax, State Use Tax and State Income tax is money that you will get. Those items along with the township money total about \$800,000.00. There does not have to be a tax levy to get that \$800,000.00. **Scott Webber** – There doesn't have to be a tax levied but the door will be wide open for it. I believe that people need to know this in advance of what the impact will be. This idea that assessments will decrease, our single most important asset besides the roads, is the lake. I am pretty sure that Lake Manager would like to have that money to put back into the lake. You presented that you will lower the assessments and raise over here and that will be a wash and you do not know that. **Bob Lowrance** – That was a presentation of what ifs. **Scott Webber** – I am just responding to what was presented on Wednesday. **Monte Thus** – If you look at the numbers, what Glenn pulled out of that to maintain the association will be a lot less. The difference will be picked up in property taxes. We will have almost a million dollars available to us. I do not like paying taxes that other communities are using. **Scott Webber** – You are making my point, detailed information is what the people want. What exactly are you proposing and what are the exact benefits to me. Another issue that we talked about is the transition plan, people moved to Holiday Shores because it is not downtown Edwardsville and because of the lake. They like the idea of it being private. I would like to see in writing that Holiday Shores Lake will remain private. All things need to be looked at to ensure that we have protected these items. The final issue, the community instruments or SEICA and it is a major concern. It is state law it is not unconstitutional until it overturned. When we put together the committee we had two paths: One was to go out and try and kill it. And the second was to try and make sure our community was covered. We had conversations with the Senate Attorneys, House Attorneys, the Illinois State Attorney. So we went forward to protect our community, and I believe we did that with the covenant changes. We want to protect our community. **Bob Lowrance** – CICA would apply if we were only Holishor Association. The legal opinion that we have received as the Committee we are incorporating a more broad area and Holishor Association just happens to fall into that. The covenant was strictly for Holishor Association. **Scott Webber** The covenant and CICA are two different things. What you are saying is that because you are adding 300 people that CICA no longer applies? **Bob Lowrance** – As far as Village Incorporation, that was Andy's advice to our committee. **Scott Webber** – So who gave Glenn the advice to go to Springfield to get that changed? **Glenn Dalton** – ILAC. **Scott Webber** – I personally wouldn't agree with that position. It specifically states no action to incorporate without 2/3 of the members vote. If you violate a law your community instruments, your indemnity insurance goes out window. That is what the final push was and I caution you as you are moving forward at this speed. HB 0028 you referenced it as though you couldn't use it to form a road district, so I don't know how you are using it to establish a village. **Bob Lowrance** – the difference is or what Andy had advised us of is a taxing district, is that if you set up a Road district the only way to fund the Road District is through taxing. If you set up a village you don't even have to levy taxes. We do not know who the village board will be. **Scott Webber** – Our recommendation is very simple, get a vote of two-thirds of the Association to make it legal, to move forward. There are a lot of people that want this and make

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it legal, I think that you will get your signatures a lot faster than you think. **Bob Lowrance** – When you say make it legal, our attorney is saying something different. **Roger Rawson** – If we do this Scotts way we are covered. **Dave Decker** – You say the attorney gave that recommendation, I have never seen anything from the attorney in writing. If it is not in writing it does not mean anything. **Bob Lowrance** – This is just discussion. **Scott Webber** – We are asking. If you allow them to get signatures you are allowing them to move forward and who is paying for it? Holishor is paying for a lot of these things. Do not make it a straw vote make it a vote of the Association membership, and make it legal. **Chad Bartels 613**- My main concern is this is the first I have heard of this Village. **Dave Decker** – There have been two presentation to the Board and one coming at the Annual Meeting. That is the only information that has been out there. **Chad Bartels 613** – This covers a lot of ground, and it looks as if the 40 acres that I have bought will now be within the boundaries. I would like to know how this will affect the ground that I bought. **Rich Hertel** – We get zero money for the tax dollars that we pay. **Chad Bartels** – Meaning? **Rich Hertel** – We do not get any money for roads, nothing. **Chad Bartels** – You moved out here for a reason. **Monte Thus** – Our main problem is our roads. This is an alternative to get the money that we need to maintain this community. **Chad Bartels** – You are doing this to better you, you are not thinking about the farmers. I farm 60 acres across the road how will this affect me? This is the first that I have heard of this. How about you send out a letter to people informing them of what is happening. **Glenn Dalton** – We are working on getting the address of those people who are located within the “box” to get information out to them and have a meeting with them. We are trying to do this within the next three weeks. **Chad Bartels** – I know the roads are bad, I want on a mailing list and I want to be informed. **Gerry Theodore 1346** – Scott covered our stuff very well and I thank him. I would like for the letter to be read in its entirety into the minutes. **Rich Scheibel (683)** Yesterday I went and spoke to the County Clerk, Debbie Mendoza, and formally the assessor, also the board of review and the assessor’s office and nobody could give me a clue as to how much taxes could go up. All they could say is that they are going to go up. There are two groups that this is going to hurt the most. The group that refuses to pay their dues & assessments, some of that money will go to the tax side and I guarantee the will pay their taxes. And the second group is the people who own multiple properties. The own multiple properties and they pay on set of dues & assessments, and now they are going to take that one assessment, spread all that tax money among all the properties that they own and they will not be happy about it.

Glenn Dalton – Reads letter submitted by 5 of the previous presidents of the Association. March 29, 2016

TO: Holishor Board of Directors

March 23, 2016

Board Meeting Presentation from the Village Incorporation Committee

We, the undersigned, represent the most recent past board presidents who remain in the community. We were all in attendance at the March 23, 2016 meeting. And, we had a very similar reaction to the presentation regarding the effort to place the establishment of Holiday Shores Village on the November 2016 general election ballot. To quote lyrics from an old Peter, Paul, and Mary album: "Slow down, You're Moving too Fast," sums up our position. We have four main points to make in this letter. First and foremost, as a group, we are not opposed to the creation of The Village of Holiday Shores. In fact, we'd very much like to see it become a reality. However, we wholeheartedly believe that our Association's current instruments and current state law need to be followed. The Association has devoted considerable time, money, and sweat equity dealing with recent State of Illinois legislation impacting our Home Owner's Association (HOA). One of the primary emphases of this effort was to protect our members' right to vote in the administration of our HOA. We believe that it is mandatory that a vote of our membership be taken within the confines of our instruments, prior to gathering petition signatures to support the placement of a Village Referendum on a general election ballot. Not only do we believe this is required by our own instruments, we believe current State Statutes require it also. We seriously doubt that the Clerk of Madison County will approve a ballot that contradicts current statute, even a statute that many legal professionals believe to be unconstitutional, until such time as a court decisions overturns that statute or it is changed by legislative amendment. To proceed forward with this initiative, we believe the Board must gain membership approval. A resolution or by-law that authorizes the board to expend funds for further exploration of this issue is a viable means. In addition to that, we must follow the current statutes as outlined in CICAA and get required approval

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before anymore association funds are expended towards this end. Our recommendation would start with a binding member vote in the form of a bylaw to authorize the Holiday Shores Board of Directors to proceed on a path to incorporate. The resolution should also authorize the gathering of the CICA required signatures of 66% of the membership. 765 ILCS 160/ Common Interest Community Association Act. Section 1-20(d) No action to incorporate a common interest community as a municipality shall commence until an instrument agreeing to incorporation has been signed by two-thirds of the members.

<http://www.ilga.gov/legislation/ilcs/ilcs4.asp?DocName=0765016...> Here's some suggested language to consider for the May 2016 Annual Meeting: Board Authority to Pursue Village of Holiday Shores Incorporation: This resolution authorizes the Board of Directors to expend funds and use staff resources to further the process that could lead to the establishment of the Village of Holiday Shores. This authority remains in effect until the May 2017 Annual Meeting or at a Special Meeting, whichever ever may come first. When the Board of Directors has the issue of Village establishment approved by 2/3rds of the members of the association, the Board can authorize the gathering of the necessary signatures to get the issue placed on a General Election Ballot. We understand this will delay the timeline as presented by the committee on March 23, 2016.

Secondly, we believe that a realistic set of future budget projections for the Village and Association entities be prepared that account for not only the revenue, but for expenses as well. These budget projections would need to be prepared in concert with brief descriptions of the services envisioned, staff to deliver, and interaction between Association and Village assets. Thirdly, we believe there needs to be a transition plan created that in general terms explains how we would transition from the HOA to a new Village. This transition plan should address how our current instruments and how membership entitlements for private versus public use of the lake, clubhouse grounds, beaches, out lots, north property and sports areas would be impacted. The cost estimates associated with the transition should also be provided as well as who will fund the transition. Forming a village and transitioning to it will not be without startup costs. Projected budgets should be prepared that explain from what source(s) these costs are being covered: Membership Fees, Donations, or Tax Revenue.

Fourth, there needs to be a process established wherein detailed information regarding this endeavor can be made available to those members who so desire, as well as a question and answer forum. This matter cannot go forward from this point without transparency. As a bit of a side note, it was stated during the March 23, 2016 meeting that establishing a Road District was no longer a viable action because new Illinois State Law, (HB0228), prohibits the establishment of any new taxing districts. We are unsure as to why the Village of Holiday Shores could be established but not a Road District. Does this mean that the Village is not a taxing district? In conclusion, it is our concern that this entire matter will proceed with considerable negativity and doubt unless changes in approach or implemented. Thank you for considering our input.

Signed: Gerry Theodor, Lot 1346 James McCann, Lot 378 Roger Groth, Lot 1027 Scott Webber, Lot 909 Don Austin, Lot 281

Bob Lowrance – Scott, you represent a group of 5 of our past presidents, who would like to Join the Village Committee? **Scott Webber** – All of us would like to join, could you send us when the meetings will take place. **Bob Lowrance** – Absolutely, and you are free to start joining the committee meetings. If you recall you were asked to be a part of that committee in the past. **Jim Sheppard (1641)** – I would like to say I am against this. I live in California and I saw all the lies and projections of something like this and it will not stay the same. Different groups with different agendas will come in and who has the money is who will rule the roost. Holiday Shores is one of the nicest community's that I have lived in. I always say if it isn't broke do not try to fix it. **Bob Lowrance** – Can they do a presentation at the Annual Meeting? **Monte Thus-** I think anytime we hit a mass of the community we should take advantage of that. I think it needs to be presented at the Annual Meeting.

Dave Decker – Motions that the Village Investigation Committee does a presentation at the Annual Meeting.

Darren Onwiler- Seconds

Action: Motion Carried

Linda Thus (6) I think it is a good idea to have it at the Annual Meeting. My question is the timing for that meeting. Would it be a good idea to have the presentation after the Annual Meeting.

Rich Hertel Needs to be posted out there everywhere and anywhere.

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Dave Decker – As I stated before I believe that there ought to be a vote of the membership as to whether or not the Association continues to pursue the idea of becoming a village. I believe that is their decision. I would also like to have the question of do we pursue to have it on the November Ballot. **Rich Hertel** – My concern is that less than 10% of membership present at the Annual meeting and I would hate to see less than 10% of the community decides the fate of Holiday Shores. **Roger Rawson** – What we are saying voting to let the membership decide if we continue with the process. **Dave Decker** – In my opinion and part of my proposal will be that we take the vote at the Annual Meeting as to whether or not we continue to investigate becoming a village. Once we decide we want to pursue it we do not actually pursue it until we meet the requirements of CICA. I have no desire to violate State law. I do not feel the Board should proceed until the State Law requirements are met. I understand Andy's opinion that we are incorporating more; I am talking about our membership. The way I interpret this is it says we can look into it without the two thirds vote but to pursue it, we need the two-thirds vote of the membership. I would describe us as investigating becoming a village not pursuing it. What are the benefits and what are the pros and cons? That is what we are doing now. **Bob Lowrance** with that being said if we are going to make a motion do we need to tie it down to what the legal part of it should be. We have two different opinions. One that says CICA and one that says something different, basically if we are going to pursue and there is a vote, then if proceeding that we get a legal opinion. **Roger Rawson** - I think what Dave is saying is that we need to figure out how to word it for a 2/3 vote by the membership.

Dave Decker – My motion would be for a vote at the Annual Meeting to continue the investigation into the village. When the Association has gathered the necessary signatures to meet the CICA requirements regarding the Incorporation of a Common Interest Community, the association can pursue Incorporating.

Bob Lowrance – I would disagree with that to the extent that we have an attorney's opinion that differs with the second part of that. **Dave Decker** well that is the advantage of me not being the board president and being able to make a motion. **Rich Hertel** – What percentage are you recommending at the Annual Meeting? **Dave Decker** – Just a majority to continue the investigation.

Bob Lowrance so to reiterate to the board then, the first part of the discussion is that it is up to the membership whether or not we go further by a majority. If we do go forward then it will take 2/3 currently or if they change it 50% per CICA and not our attorney's opinion. I guess what I am saying is that I can't agree to that second part.

Jim McCann 378 – As the president of the Board of Directors, you are required to follow State Law and to simply state that you would agree with the legal opinion of the attorney that violates a state law puts in jeopardy our not for profit status.

Bob Lowrance – Jim I disagree whole heartily with you, our attorney, our board attorney disagrees with what you are saying and I am based up on an attorney opinion that we have hired. **Jim McCann** – I am going off of the attorney of the Senate State of Illinois, the attorney for the House of Representatives for the State of Illinois, both of which to make changes to this law. We fought very hard to make sure that we were protected as an association. The fact that our Attorney doesn't agree with the law really that is his opinion, as you stated that is his legal opinion. **Bob Lowrance** - but I disagree that is the law. That is the law per his opinion if you are looking into incorporating Holiday Shores Association.

Jim McCann - You are looking at incorporating our Association into a village.

Bob Lowrance – We are incorporating a large area where our association happens to be in. **Jim McCann** – Were are our Association is 4200 people of the 4500 that are representing living within that village. I am just trying to explain the basis of CICA and the particular clause that Dave read was not part of the original bill. The way it is written now it was added as an amendment that we fought very hard for to prevent exactly what is happening right now, from happening, because all of our deed restrictions have certain stipulations regarding our homeowners association. CICA binds that or Community instruments as they call them, our covenants, bylaws and restrictions and forces us to follow those things. As a not-for-profit entity if we do not follow state law then we are in violation, and we are putting ourselves and our status in jeopardy by not following the state law. That was one of the driving forces along with the indemnity that Scott mentioned earlier. **Bob Lowrance** – I agree, if we are in violation of state law. **Glenn Dalton** – Jim was working with the attorney that was previous to Andy, he worked for

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the same firm as Andy. Let's go back and get Dave Gerber involved and get a second opinion. We can share that information as well.

Jim McCann the group from Holiday Shores actually wrote several of the clauses in the amendment in CICA specifically to protect our Association. Us violating those after we worked so hard to get it done seems very counter productive and whether you agree or not, putting the boundaries out as far as we did, if you feel that is somehow shields us somehow from Illinois State Law, that passed overwhelmingly when it went before the rules committees and went before their legal entities and is enforced by the states Attorney General. I think that is a dangerous move for us to make.

Rich Hertel we have he said and he said, why don't they get together and give one opinion.

Jim McCann (378) there is another way to get it resolved. The gentleman, the farmer that was here earlier, brought up the area that is around us. I realize that we have to have a certain amount of area in order to qualify as a village. The lawyers who represent the Senate and the House they are the ones that wrote the law, they are the ones that approved it and they are the ones that ultimately will have to defend it. Which I would not suggest we try and challenge, because that legal expense would not fit into our budget.

Bob Lowrance yes we are, Scott said his whole committee which included Jim want to join the Village investigation committee. These are discussions that we will have during those meetings. I personally want to do it the correct way.

Jim McCann (378) one other thing as a reminder, the committee was formed by the board, under CICA, committee meetings have to be announced, have to be open to the public, they also have to have recorded minutes taken at the meetings and those minutes have to be kept on file the same as regular minutes.

Scott Webber (909) couple things our Attorney's opinion is in the office, in writing. Yours is not. I'm still concerned with out the board vote that you are still allowing people to gather signatures for a November Ballot.

Jim McCann I spoke to Debbie Mendoza on Thursday morning as well. She had heard rumors of this, and gave me some dates and such. One of the things that she did give me that I found interesting was that there is also a deadline for opponents to put forth their position, and their reasons for their position. There are some very strict guidelines that it has to follow. It does have to go to the state and be approved by the state before it can be put on a ballot, and one of the acid tests is whether or not it violates a state law.

Patty Brown (1992) I think you will find that change is hard and it is going to be hard to get people behind this in such a short amount of time. Vote to allow the board to explore or pay expenditures. Then decide where to go from there. Obtain more information, and get all the data you can, then present and make a decision from there.

Dave Decker the first one for the Annual Meeting: is to get authorization from the Association membership to continue to investigate the opportunity to incorporate

The second motion for a vote at the Annual meeting: should the board pursue having the Village Incorporation be put on the November 18, 2016 ballot

1st Motion

Dave Decker motions this resolution authorizes the Board of Directors to expend funds and use staff resources to further investigate the opportunity of the establishment of the Village of Holiday Shores. When the Association has gathered the necessary signatures to meet CICA requirements regarding the incorporation of a common interest community, the board can authorize necessary signatures to get the issue placed on the General Election Ballot.

Monte Thus, seconds

Discussion:

Rich Hertel – I would like to recommend that since we are back and forth on the CICA requirements we say “if required”

Darrin Onwiler we are covered if we go by that. It is obvious that the higher of the two, we are covered. I am not comfortable moving forward with anything like that, without anything less. They are more restrictive, simple majority vs. 2/3.

David Decker – CICA is 2/3, I phrased it this way because if the bill passed and moved it to a simple majority of our membership which is still a significant number. That is why I phrased it that way because if that does pass, then the requirement would only be 50%.

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Motion Carried.

2nd Motion

Should the Board pursue having the Village Incorporation vote put on the General Election Ballot, in November 8th, 2016.

Dave Decker as I am sitting here thinking about it, it seems in direct contradiction of the first motion.

Monte Thus really don't need this one

Motion retracted. No vote

3rd Motion

Dave Decker makes a motion to the board of directors that the board instruct the committee that they are not authorized to collect signatures to put it on the General Election Ballot

Darrin Onwiler, seconds

Discussion:

Bob Lowrance I will agree with that.

Roger Rawson I agree

Monte Thus I agree, however that doesn't mean someone else couldn't.

Dave Decker that is true, however the board doesn't have control over the individual person, but should have control over the committee. Therefore, I think that we should vote to make sure that they are fully aware that we are not authorizing them to start that process.

??? should that be any committee? Because that would be a blanket

Dave Decker any association committee? So instead of the Village Committee, say no Association Committee or staff is authorized to pursue the collection of signatures to put the Village Incorporation issue on the General Election Ballot until authorized by the board. Just cover all the bases.

Dave Decker – Amended 3rd Motion

Dave Decker makes a motion that no Holiday Shores Association committee or staff is authorized to collect signatures to pursue the putting of the Incorporation of Holiday Shores on the General Election Ballot unless specifically authorized by the Board at later time.

Darrin Onwiler, seconds

Motion Carried

Open Floor

Tom Hough (75) just wants to confirm that the committee is going to further explain this briefing at a later date. There are pages of pros and only three cons. We need to have a detailed cost analysis of this done.

Dave Decker that is what we are going to try and do at the annual meeting to get the memberships opinion and to do just as you have suggested.

Scott Webber (909) If this is done right you will have a lot of people volunteering for the committee.

Bob Lowrance That is what it is all about. Getting everyone involved. It is hard to cover every single point.

Dave Decker thanks the committee for everything they have done so far. As far as the information gathered at this time, thinks that it is something that should be put together, and making available for people, so people can educate themselves on this matter. Also a regular schedule needs to be established for this presentation of this matter, whether during a meeting or separately.

Monte Thus also recommends that the farmers that this affects put together a representative to protect their interests as well.

Chad Bartles (613) I put a lot of money and commitment into the farm land I purchased. I am not concerned with what happens on the west side of Prairietown Road, I am only concerned with the East side.

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Jerry Theodore (1346) I caution you in saying that there will be no changes in the association, because there will be changes. For example, we won't be taking care of the roads, that is a change. Also, no one knows just yet what else will change for sure. The way I understood it, that the board would have the right to bestow membership to whomever they want of those 300 people.

Rich Hertel motions to adjourn meeting, Jim Perotti seconds.
Motion Carries

Meeting adjourned at 10:36 p.m.

Meeting minutes submitted by Rich Hertel.