

SUNSET LAKE ASSOCIATION

Annual Meeting
August 11, 1972

The regular annual meeting of Class "A" members of the Sunset Lake Association was held August 11, 1972 in the basement of the State Bank of Virden, 103 South Springfield Street, Virden, Illinois. The meeting was called to order at 7:30 P.M. by President George R. Lane.

The secretary announced that 60 members were present in person and that 108 members were represented by proxy.

The minutes of the annual meeting held August 13, 1971 were read by Frank Glatz. There were no additions or corrections, so President Lane declared the minutes accepted as read.

Treasurer A. Mortimer presented each member present with copies of balance sheets and statements of income and expense comparing the year ended June 30, 1972 with the year ended June 30, 1971, and offered to explain any questionable items. There were no questions from the floor.

Robert Kreppert, chairman of the Farm Committee, reported that the farm grossed \$1,476.57 this year, and would net about \$1,152.00 after deducting the cost of seed and fertilizer and an estimated amount for taxes. He also announced dissatisfaction with the present tenant farmer and recommended that an attempt be made to find another tenant next year.

George Cox, chairman of the Grounds & Construction Committee, reported that six house construction permits had been approved since he was appointed to the Board in June. He requested cooperation of all leaseholders in keeping their lots mowed and clean, and that any violations be reported to him.

Sam O'Neal, chairman of the Boundaries and Shoreline Committee, reported that the lake was treated recently to control weeds and algae, with generally good results. Some areas will be re-treated this fall and it is planned to treat the entire lake again next spring. Individuals should not add chemicals to the lake without first clearing it with the committee.

Frank Glatz, chairman of the Legal Committee, reported that his committee is still working with Copple Contracting Company trying to get the company to repair damage done when water lines were laid.

Charles C. Jones, chairman of the Roads Maintenance Committee, reported that his committee encountered problems this year caused by the laying of the water lines, which made oiling the roads later than usual, which in turn caused excessive bleeding during hot weather. Oiling this fall will start soon after Labor Day.

Allan Mortimer, chairman of a Budget Committee, presented a proposed budget for the fiscal year ended June 30, 1973 (which is included in these minutes by reference) showing estimated income of \$18,350.00 and estimated expenses of ~~\$\$XX00XX~~ \$23,510.00 and an estimated deficit of \$5,160.00. He read the individual items and called for questions. There were no questions from the floor.

August 11, 1972

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The President then called for nominations to fill three vacancies on the Board of Directors.

Frank Glatz was nominated by George Neal. The nomination was seconded by Ernest Hissong.

Raymond Mottershaw was nominated by Jake Mottershaw. The nomination was seconded by Charles Ramsey.

Earl Haynes was nominated by Keith Day. The nomination was seconded by Walter Hart.

A motion was then made by Mrs. Dukett, seconded by Bill Allen, to close the nominations. The motion carried by voice vote.

The president then declared all three nominees elected by acclamation.

A motion was made by Roger Jennings to have the Association remove the fence near the picnic area. The motion was seconded by Mrs. Dukett. Motion carried.

A motion was made to adjourn by Mrs. Dukett, seconded by Walter Hart. Carried. Meeting adjourned at 9:00 P.M.

President

Attest:

F. W. Randolph
Secretary

Sunset Lake Association

P. O. Box 61

Phone (217) 627-3232

Girard, Ill. 62640

August 1, 1972

NOTICE OF ANNUAL MEETING OF THE SUNSET LAKE ASSOCIATION

As a class 'A' member of the Sunset Lake Association on record as of this date, you are hereby notified that the annual meeting of class 'A' members is herewith called to be held on Friday, August 11, 1972 at 7:30 P.M. at the State Bank of Virden, Virden, Illinois, for the purpose of electing three members to the Board of Directors and transact any other business that may be properly presented at this meeting.

Each class 'A' member is urged to attend this meeting. If you are unable to attend, would you please sign the Proxy (see below) and return it to the Association Secretary, Mr. F. W. Randolph, Box 61, Girard, Illinois, 62640.

Should you later decide to attend, and being present at the meeting, the Proxy may be withdrawn by you. Each member is limited to vote 11 proxies.

Very truly yours,
George R. Lane
President

P.S. Registration 6:45 P.M.

PROXY

Know all men by these present, that the undersigned, a class 'A' member of the Sunset Lake Association, organized under the laws of the State of Illinois, does hereby make, constitute and appoint _____ or his nominee, my true and lawful attorney and agent for me, in my name, place and stead to vote my proxy at the annual meeting of the Sunset Lake Association, to be held Friday, August 11, 1972 at 7:30 P.M. at the State Bank of Virden, Virden, Illinois, or such other time, place and day as the meeting may be thereafter held by adjournment according to the vote I am now entitled to cast, hereby granting my said attorney full power and authority to act for me and in my name at the said meeting in the transaction of such business which may come before the meeting as fully as I could do if personally present, with full power of substitution.

Witness my hand and seal this _____ day of _____ 1972

Seal

Annual Meeting Sunset Lake Assn., 8-11-72

1. Since I was appointed to the Board of Directors in June 1972, 6 "Six" House Construction permits have been approved.
2. It would be appreciated if all members would notify me when violations of regulations are noticed pertaining to the grounds or Construction.
3. From what little experience I have had in the short time I have been on the board, grass mowing & removing debris from the grounds has been my largest problem.

Any Cleaning up or persuasion of your neighbors to Clean his property would Certainly be appreciated.

Sometime in the near future we have a program to Clean-up private lots and bill the owner for the expense.

George A. Cox

SUNSET LAKE ASSOCIATION

Comparative Statement of Income and Expenses
Years Ended June 30, 1971 and June 30, 1972

	FISCAL YEAR ENDED	
	June 30, 1971	June 30, 1972
Income:		
Assessments	\$ 7,950.00	\$ 7,994.27
Maintenance fees	6,850.00	6,436.31
Boat permits	1,456.00	2,068.00
Building permits	130.00	170.00
Farm income	850.80	1,476.57
Transfer & recording fees	800.00	774.00
Interest income	1,894.80	1,275.00
Fines & penalties	72.50	78.20
Sales of leases	5,000.00	600.00
Miscellaneous receipts	224.00	224.00
Total income	\$25,004.10	\$21,096.35
Expenses:		
Maintenance of dam	\$ 600.00	\$ 12.08
Maintenance of lake	4,718.88	1,458.99
Maintenance of grounds	2,529.48	1,371.07
Maintenance of roads	88.46	20,322.46
Maintenance of equipment	1,500.00	35.76
Patrolman's salary	11.20	1,630.00
Gasoline & oil	370.51	162.31
Travel	90.00	71.00
Boat expenses	158.10	158.10
Other patrolman's expenses	473.55	473.55
Farm expenses	336.69	117.08
Interest on bonds	340.00	85.00
Audit	210.00	825.00
Water & electricity	533.63	635.56
Insurance & bonds	193.80	442.06
Property taxes	428.89	731.63
Employment taxes	75.00	90.48
Bookkeeping & secretarial fees	1,500.00	1,565.00
Postage & supplies	497.35	1,028.17
Recording fees	89.00	198.60
Directors' fees	772.50	780.00
Rent of meeting room	90.00	30.00
Trash disposal	60.00	
Surveying	172.00	
Telephone	74.12	
Miscellaneous expenses	338.54	558.23
Depreciation	5,462.05	4,965.54
Total expenses	21,082.10	37,747.67
Net profit or (loss) for the year	3,922.00	(16,651.32)

SUNSET LAKE ASSOCIATION

Comparative Balance Sheets

	<u>June 30, 1971</u>	<u>June 30, 1972</u>
Current Assets:		
Cash	\$ 9,560.00	\$ 50.00
Cash in bank	4,624.20	17,110.08
Cash in certificates of deposit	30,000.00	20,000.00
Accounts receivable	<u>2,308.96</u>	<u>809.30</u>
Total current assets	\$46,493.16	\$37,969.38
Fixed Assets:		
Farm land	6,000.00	6,000.00
Lake site	39,773.18	39,773.18
Picnic area	5,000.00	5,000.00
Dam & spillway	143,467.75	143,467.75
Roads & drives	36,347.63	36,347.63
Maintenance equipment	354.76	354.76
Policing equipment	511.16	961.16
Office furniture & equipment	<u>177.20</u>	<u>506.61</u>
	231,631.68	232,411.09
Less: Reserves for depreciation	<u>80,010.20</u>	<u>84,975.74</u>
Total fixed assets	151,621.48	147,435.35
Total assets	<u>198,114.64</u>	<u>185,404.73</u>
Liabilities:		
Accounts payable	\$ 1,079.73	\$ 4,625.86
Bonds payable	5,600.00	5,175.00
F.I.C.A. tax withheld		20.28
Total liabilities	<u>\$ 6,679.73</u>	<u>\$ 9,821.14</u>
Net Worth:		
Class "A" Memberships	108,840.00	109,640.00
Class "B" Memberships	3,200.00	3,200.00
Surplus at 6/30/71	79,394.91*	79,394.91
Net loss for year ended 6/30/72		<u>(16,651.32)</u>
Total net worth	<u>191,434.91</u>	<u>175,583.59</u>
Total liabilities and net worth	<u>198,114.64</u>	<u>185,404.73</u>
*Surplus at June 30, 1971 per balance sheet prepared by Dale E. Miller		\$93,138.63
Less: Cost of assets disposed of before June 30, 1971:		\$
Repurchased leases		2,684.60
Picnic area	\$12,084.16	
Less: Reserve for depreciation	<u>1,025.04</u>	<u>11,059.12</u>
Total		<u>13,743.72</u>
Surplus at June 30, 1971, as corrected		<u>79,394.91</u>

P. O. Box 61

SUNSET LAKE ASSOCIATION

(217) 627-3232

Girard, Ill. 62640

September 13, 1972

NOTICE OF A SPECIAL MEETING OF THE SUNSET LAKE ASSOCIATION

A special meeting of Class "A" members of Sunset Lake Association has been called and will be held on Monday, September 25, 1972, at 8:00 P.M. in the basement of the State Bank of Virden, 103 South Springfield Street, Virden, Illinois. The purpose of the meeting is to discuss and vote on a proposal to amend the by-laws of Sunset Lake Association by adding Section 2 to ARTICLE V thereof, as follows:

"Section 2. The total of all Association expenditures during any fiscal year shall not exceed the amount of Association income during the prior fiscal year, and the Association shall not make or enter into any contract or transaction which requires deferred or installment payments by the Association without first obtaining the approval of such expenditures, contract or transactions at a regular or special meeting by a majority of the votes entitled to be cast by the members present or represented by proxy at such meeting."

and for the transaction of any and all business that may be brought before the meeting.

If you are unable to attend the meeting you may execute the proxy below and return it to the secretary, F. W. Randolph, P. O. Box 61, Girard, Ill. 62640, or it may be given to the secretary before the special meeting on September 25, 1972. If you want the Board of Directors to cast your vote, please enter the name of Robert Kreppert, or any one of the other directors, in the space provided in the proxy. The proxy may be withdrawn by you should you later decide to attend the meeting.

Registration for the meeting will begin at approximately 7:15 P.M. on September 25th.

F. W. Randolph
F. W. Randolph
Secretary

PROXY

Know all men by these presents that I, the undersigned Class "A" member of Sunset Lake Association, a corporation organized under the laws of the State of Illinois, do hereby make, constitute and appoint _____, or his nominee, by true and lawful attorney and agent to vote my proxy at the special meeting of the Sunset Lake Association to be held on Monday, September 25, 1972, at 8:00 P.M. at the State Bank of Virden, 103 South Springfield Street, Virden, Illinois, or such other time, place and day as the meeting may thereafter be held by adjournment, hereby granting to my said agent full power and authority to act for me and in my name at the said meeting in the transaction of such business which may come before the meeting, as fully as I could do if present personally, with full power of substitution.

Witness my hand and seal this _____ day of _____, 1972.

(Seal)

ROUGH DRAFT

MINUTES OF SPECIAL MEETING - SUNSET LAKE ASSOCIATION

The meeting was called to order by Sam O'Neal, temporary Chairman, at 8:00 P.M., Monday, September 25, 1972 in the meeting room of the State Bank of Virden, Virden, Illinois. This meeting was called by the members of the Association to affect a change in the By-Laws to limit the spending by the Board of Directors without the consent of the members of the Association. The petition was signed by the required 1/5 of the membership and presented to the Board 20 days prior to the meeting.

Mr. O'Neal then introduced the Board of Directors, including the two new members, Earl Haynes and Ray Mottershaw; Bob Glatz, re-elected; Bob Kreppert, Frank Sharp and George Cox; *George Lane - Charles Jones not present.* Also present was Mr. Bob Dodd, Attorney for the Association.

The first order of business was the nomination of inspectors, with request from the floor for 2 members present to vote for proxies. Mr. Dodd stated that everyone has a right to nominate or vote, or question the validity of the proxies. It was questioned that for 12 years, why this is the first time this procedure should be followed. Mr. Dodd advised the group that this manner should be followed and approved. ~~XXXXXXXXXXXX~~

Mr. Kreppert asked if there were 2 nominations from the floor to accept or reject it. Motion was made by Mrs. Duckett and *Seconded* approved by Frank Sheppard to rescind the inspector nomination. A discussion followed questioning the legality of this procedure. Mr. Dodd again voiced the opinion that we should have inspectors

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from now on and should have the people present to have the proxies examined. Fred Gates asked if this were a one vote or two votes for both husband and wife - was informed it is one vote.

Upon motion by Jack Gordon and seconded by Mrs. Duckett, it was agreed to accept the report as certified, from Bob Glatz and Earl Haynes - was accepted.

The next order of business was to elect a Chairman of this meeting. Sam O'Neal stated it must be done by the members present and asked for nomination. Mrs. O'Neal made the motion to nominate Sam O'Neal. Mrs. Duckett made the motion to elect Louis Schroll Chairman of the meeting, seconded by Mr. Coultas, and carried. Mr. Schroll accepted. Mr. O'Neal asked for nomination that Mrs. Elda Herr be named temporary Secretary of this meeting. Motion by Mr. Mortimer and seconded by Mrs. Duckett - carried.

Mr. O'Neal thanked the members for the courtesies extended to him and asked the same to Mr. Schroll, who then took the gavel and asked for a continuance of the discussion of business.

Bob Slagle asked for a report of the inspectors stating number of proxies and members present. It was reported that there were 78 Class A members present; 108 Class A members present by proxy; 2/3 vote (or 124 votes) necessary to pass the proposed change in the By-Laws. Bob Slagle then read the proposal, after which the meeting was open for discussion.

Mr. John Harmison then addressed the group in favor of the proposed change. He explained that at a recent meeting between Association members Roy Carmean, Walter Hedricks, George Neal, Fred Gates, Ralph Evans, Jack Gordon and himself, there

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were reports of several inquiries from various other members of the Association reflecting that they too were in favor of the change in the By-Laws. Mr. Harmison stated that he thought the members should know how the income is spent, since last year a number of dollars were spent and caused some concern. Mr. Harmison further commented that since every member has considerable investment in this Association, we should operate within the income of the organization. He continued, that such an expenditure to be allowed to Frank Sharp in the amount of \$1,200.00 was not made known to the members.

Frank Sharp then informed the group that the money had been turned down by himself.

Mr. Kreppert stated that there were a few items which needed explaining which would make a big difference. The Previous year's financial statement shows a net profit of \$3,000 - \$8,000 as a profit because expenses were not accrued - had been paid during the last year. The amount was based on an operating budget and after the income tax return, it was found that the Association was in error - as far as presenting a financial statement, if we would have paid \$4,922 we would show a deficit. It was explained that Mr. Mortimer read all of the expenses at the last meeting and was asked by Bob Slagle for an explanation at that time.

John Harmison questioned if a Certificate of Deposit for \$10,000 had been cashed.

Mr. Kreppert stated that these things were discussed and analyzed, the reduction was earned from the CDs and reference

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was again made to the proposed budget. Reference was made to the column on the right that we have earned income of \$1,200.00 from labor for mowing and maintenance work for members of the Association now being done by outside help.

When we have ^a ~~xxxx~~ deficit expense - we have been reducing our assets by spending the money to buy equipment and you actually do not reduce your assets. This is an investment so that you can make money, as stated in the proposed budget. It was further stated that we are only estimating this amount - should be paid for in a short period of time, actually reduced.

John Harmison remarked that we have received a ~~the~~ budget, asked if it is a revised budget. Bob Kreppert answered that the budget is a part of the last minutes.

Jack Gordon stated that in the letter the budget showed \$23,000, but when asked the Secretary's office they showed \$25,500 which he refused and was given another figure of \$23,510 - does not show any provision for salary in the amount of \$7,200, or equipment costs of \$10,000.

Mr. Kreppert remarked that this was meant as a proposed operating budget, not intended to be something we have to livewith.

Jack Gordon then questioned the \$210 discrepancy. He then read from the July 24th meeting minutes, asked which amount was the correct figure.

Bob Kreppert referred to the operating budget, as far as expenditures for equipment and maintenance work, with the exception of \$200, is the one you have and the one you see in the minutes and appears to be official.

Jack Gordon asked the meaning of an official docu-

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ment, to which Mr. Kreppert replied that as it is shown in the minutes.

It was explained by Bob Kreppert that the Board was going to pay Frank Sharp 5% for each piece of property sold - Frank Sharp submitted his bill for it. The total amount being \$2,500. It was approved and since he had proof of the sales, the Board had to act upon it. He did not want the \$2,500 - wanted it to apply to the water treatment, equipment and such. Agreed to the amount of \$1,200 spread over a period of 12 months. Mr. Sharp expressed his thoughts that the Board was doing a good job and that he would like to see that amount go to the benefit of the Lake.

Fred Gates then addressed the Board to ask questions pertaining to the proposed budget - specifically what assets to justify the expenditures - are we reducing our assets? Mr. Kreppert proceeded to answer the questions and explain the operating budget.

Allen Mortimer spoke in the absence of Charles Jones, Road Committee - had to project a road expense - last year we spent more, but this year we do not plan to spend as much. Stock piled rock and went in as an expense in that fiscal year, for the roads.

Jack Gordon questioned if a special meeting would have to be called for snow removal - questioned whether or not the maintenance man could handle this. It was felt that the job could be handled adequately.

Bob Slagle asked if the \$1,200 expenditure shown as a Real Estate obligation will remain in the budget for this year. Frank Sharp replied that it would not. Mr. Kreppert repeated that

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\$2,500 was the original figure - Mr. Sharp agreed to take only \$1,200. Bob Slagle questioned if the Association is legally responsible - was Mr. Sharp being paid as a patrolman at the same time he was selling real estate. Frank Sharp stated that if the money is paid on machinery, he does not want anything, further that he is getting nothing for expenses, such as car, gas, etc. Bob Slagle asked if it is not paid on machinery, does this mean that Frank Sharp will accept the amount.

Mr. Dodd replied that it is the power of the Board to make the decision, to authorize the expenditures in any one fiscal year. Bob Slagle stated that he felt it was also up to the members to know about excessive expenditures and have a voice in approving them.

Mr. Dodd addressed the group to state that the sole purpose of this meeting tonight was to vote on the proposed change in the By-Laws, and felt that the voting should take place. Bob Slagle replied that according to the Notice received by all members that this meeting was not only for this purpose, but for the transaction of any and all other business that might be brought up. *Mr. Slagle ruled out of Order by Mr. Dodd.*

Jack Gordon remarked that nothing was mentioned at the annual meeting regarding the hiring of a maintenance man, nor did anything reflect the purchase of any equipment. Mr. Dodd stated that it had been properly accepted by the Board.

Motion was made by Howard Young that we vote on the proposal to amend the By-Laws - seconded by Walt Hart.

Bob Walter asked if the budget would be resubmitted for approval. Mr. Dodd replied that he didn't think the proposal

to restrict the resubmission or retraction of the budget can be made by the Board.

John Harmison stated he felt the Board of Directors should submit a budget to the members to be voted on before acceptance. If it exceeds the income, the members should have a change to vote. Also asked if we are approving this budget. Mr. Dodd answered "no".

Mrs. Kreppert addressed the group, explaining that the financial information had been accepted by Mr. Kreppert in a poor condition and had required long hours of work to get it in proper form to submit.

The voting then took place, and was tallied as follows:

FOR:	115
AGAINST:	71
SPOILED:	0

The vote to change the By-Laws LOST by 9 votes, since 2/3 did not carry.

The meeting was adjourned at 9:45 P.M.

