

MASTER PROPERTY OWNERS ASSOCIATION FOR THE WONDER LAKE AREA, INC.

SPECIAL REPORT TO MEMBERS

From the President

This report is an effort to bring you up to date on current aspects of our on-going lake restoration efforts. This year has seen a number of events occurring and every effort has been extended to keep all members informed of our progress by means of our May 22nd, 2010 Open House, the MPOA website, monthly MPOA Director Meetings, monthly MPOA Subdivision President meetings, and various MPOA commission meetings. A complete Fall Newsletter will be distributed to all member-owners following the September 8th, 2010 Annual Convention.

\$620,000 Conventional Bond issued by the Village of Wonder Lake

As a result of the enactment of Wonder Lake Restoration SSA # 9 in March of this year, on March 10, 2010, and again on March 22, a majority of the MPOA Directors voted to enter into an agreement with the Village of Wonder Lake to issue the first SSA-backed bond. This \$620,000 bond was sold on March 25th, 2010, with the proceeds held by the Village of Wonder Lake. The proceeds of this bond are targeted towards the preliminary engineering of the lake restoration project, and the preparation and submittal of the required regulatory permits. It also includes funds for reimbursing the MPOA, Village of Wonder Lake, the bond counsel and the bond underwriter for various fees and expenses involved in establishing the SSA and the sale of this bond.

Lawsuit

After the March 10th, 2010 vote by a majority of the MPOA directors to proceed with this bond sale, challenges to this vote were raised by MPOA Directors Arline Bahrke (Hickory Falls #3), Marsha Nelson (Highland Shores), David Schultheis (Indian Ridge) and Kathy Hunt (Sunrise Ridge Estates). At a special meeting held on March 22nd, 2010, a second MPOA Director vote approving the sale of the bond (with the aforementioned MPOA Directors still opposed) was achieved. With that second MPOA Director majority vote approving the sale, the \$620,000 bond was sold on March 25th, 2010. However, as a result of the challenges to both March 2010 MPOA Director votes, T.P. Mathews (a MPOA Director representing Unsubdivided Property), filed a lawsuit on April 7th, 2010 against the MPOA. While this filing could not block the sale of the already sold \$620,000 bond, it did result in a delay in issuing any additional bonds authorized through the SSA.

A hearing was conducted by 22nd Circuit Court Judge Michael T. Caldwell on August 17 – 20, 2010 on the Mathews MPOA lawsuit, and also on the lawsuit Mr. Mathews filed against the Wooded Shores Property Improvement Association, Inc. (WSPIA) in 2009. (See www.wlmpoa.org for more info on these lawsuits) On August 20, 2010, Judge Caldwell ruled that the MPOA Director votes of both March 10th and March 22nd, 2010, authorizing the \$620,000 bond sale, were valid.

In regards to the Wooded Shores issue, Judge Caldwell made a specific point to reference Mr. Mathews' takeover of the long-held Wooded Shores subdivision name as a *...flagrant and unscrupulous attempt to co-opt the name... and ... a not-too-sophisticated form of corporate identity theft.* Judge Caldwell also declared that the Wooded Shores Property Improvement Association, Inc. (WSPIA) is the only MPOA subdivision member representing lot owners in the Wooded Shores subdivision and recommended that the MPOA by-laws reflect the new name of the WSPIA. Mr. Mathews' is enjoined from using the WSPOA name in any dealings with the MPOA or Wooded Shores landowners.

Through June 30, 2010 more than \$20,000 has been spent defending the MPOA. Our accountant is tracking these expenses and a full report of the expenses necessary to defend the actions of the MPOA will be published in our Fall newsletter. The full text of Judge Caldwell's decision in favor of the MPOA and the Wooded Shores Property Improvement Association, Inc. will be available on the MPOA website after September 1, 2010 and will also be distributed to all MPOA Delegates attending the September 8th, 2010 MPOA Convention.

American Recovery and Reinvestment Act (Stimulus) Bonds

As part of its on-going efforts to keep lake restoration as affordable as possible, in January 2010, the MPOA and Village of Wonder Lake (VOWL) filed a joint application with McHenry County requesting eligibility to issue a large portion of the Lake Restoration bonds at a greatly reduced "Stimulus" interest rate, under the American Recovery and Reinvestment Act. Sale of the lake restoration SSA bonds at the anticipated stimulus rate will likely save SSA landowners over \$ 1.2 million in interest costs over the life of the SSA. On February 16th, 2010, the MPOA/VOWL application received unanimous approval from the McHenry County Board, with the requirement that the bonds be sold by September 30th, 2010 to receive the favorable stimulus interest rate. Unfortunately, the Mathews lawsuit put the favorable stimulus bond rate in peril, and prevented any forward movement until the favorable August 20th, 2010 court decision. To compensate for the untimely delay caused by the Mathews lawsuit, on August 24th, 2010 the McHenry County Finance and Budget Committee voted near unanimously to recommend extending the original deadline for issuing the bonds from 9/30/10 to 12/31/2010. The lone NO vote was cast by John Hammerand. The McHenry County Board is scheduled to vote on this matter on September 7th, 2010. The Village's bond counsel and the MPOA attorney are now gearing up to accomplish the sale of these bonds.

September 8th, 2010 - MPOA Convention of Delegates

The 2010 MPOA Convention will provide the MPOA Delegates with the opportunity to vote to approve a balanced budget. No member dues increase has been recommended and none is required to balance income vs. projected expenses for the upcoming year. On a recommendation by the MPOA Finance and Budget Commission, a majority of the MPOA Directors at the August 11th, 2010 meeting approved the proposed 2011 Budget. MPOA Directors Pam Picard (Wonder Center), Marsha Nelson (Highland Shores) and Arline Bahrke (Hickory Falls #3) voted against the motion to approve the 2011 balanced budget.

In addition, the MPOA Secretary and 1st Vice President position's for the two year period beginning Jan. 1, 2011 are to be filled by Delegate vote during the upcoming Convention. The nominating committee reported their recommendations to the MPOA Directors at their August 11th, 2010 meeting. The MPOA Directors were unanimous in accepting the Nominating Committee's Report. The candidate for First Vice President is the incumbent, Dennis Gallo (MPOA Director, Wonder Woods). Dennis is currently Chair of the MPOA Lake Use Commission and a member of the MPOA Lake Maintenance Commission. The candidate for the Secretary position is Jane Musel (MPOA Director, Hickory Falls I & II). Jane currently serves on the MPOA Finance, Lake Use and Lake Maintenance Commissions. Both are well qualified for the positions they are seeking, and demonstrate a clear understanding of the role and duties of MPOA Directors and Officers.

SSA Expense Reimbursement

At the August 11th, 2010 MPOA Directors meeting, the MPOA Finance and Budget Committee reviewed all of the expenses incurred by the MPOA to date involved in both establishing the SSA and in accomplishing the sale of the \$620,000 bond. These previously incurred MPOA expenses were included in the overall SSA cost, and are eligible to be reimbursed to the MPOA. Following the report and recommendations of the MPOA Finance and Budget Commission, a majority of the MPOA Directors approved reimbursements to the MPOA totaling approximately \$75,000. Of the total amount approved for reimbursement, approximately \$25,000 will be added our Emergency Fund. The \$50,000 balance of the reimbursement will be set aside and used as seed money for the proposed 40% to 60% rebate of property tax payments incurred by eligible low and moderate income SSA property owners. The motion authorizing a request for the reimbursement from the \$620,000 bond was approved by a unanimous vote of the Directors.

Fall Newsletter Items

Annual Convention - 2011 budget, results of Election for MPOA 1st Vice President & Secretary

Updates - MPOA Financial Audit Report, dredging Time line, status of permit applications, complete cost to defend against Mathews' Complaint, USGS Ecomapper & monitoring activities, Local organizations, clubs & community news & events.

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Lake, IL 60097

PRSRT STD
US POSTAGE
PAID
WONDER
LAKE, IL
PERMIT NO. 6

CONGRATULATIONS

Wonder Lake Water

Ski Show Team

2010

National Champions

&

National Ski Jump

Champions

LOCAL POSTAL PATRON