

FLPOA SPECIAL BOD MEETING MINUTES

DATE: January 11, 2021

- 1. Roll Call**
- Absent:** Daniel Mancani **Quorum:** Yes
- 2. Directors:**

President	Dennis Monsere	Dam Safety
Vice-President	Ron Swagman	Legal, Lake Ecology, Fish Stocking
Secretary	Linda Huff	Housekeeping, Clubhouse/Pavilion
Treasurer	James Kelly	Campground/Cabin Rentals
Director	Gene Ross	Maintenance
Director	Brian Andrews	Office, Personnel, Insurance
Director	William Roth	Security, Rental Docks, Boat Launch Watch
Director	Debra Wojie	Assistant Treasurer, Refuse, Merchandise
Director	Daniel Mancani	Liens & Foreclosures, Storage Area

4. New Business:

Motion #1: Accept the \$300 deposit and offer of \$4,100 for the sale of Lot No. 7 in the Highlands. Title Insurance Policy to be applied for and paid for by the buyer. Motion: Dennis, Support: Linda, Motion passed 8-0. (All Directors voted via e-mail).

FLPOA SPECIAL BOD MEETING MINUTES

DATE: February 6, 2021

1. **Meeting Format:** This meeting was held as a closed virtual meeting due to COVID-19 restrictions by the State of Michigan Health Department.
2. **Absent:** James Kelly, Linda Huff (partial attendance), **Quorum:** Yes
3. **Review of previous meeting minutes**
Motion #1: Approve the September 12, 2020 Annual BOD Meeting Minutes and the January 11, 2021 Special Meeting minutes. Motion: Dennis, Support: Ron, Motion passed (7-0)

4. Directors

President	Dennis Monsere	Dam Safety
Vice-President	Ron Swagman	Legal, Lake Ecology, Fish Stocking
Secretary	Linda Huff	Housekeeping, Clubhouse/Pavilion
Treasurer	James Kelly	Campground/Cabin Rentals
Director	Gene Ross	Maintenance
Director	Brian Andrews	Office, Personnel, Insurance
Director	William Roth	Security, Rental Docks, Boat Launch Watch
Director	Debra Wojie	Assistant Treasurer, Refuse, Merchandise
Director	Daniel Mancani	Liens & Foreclosures, Storage Area

5. New Business:

Motion # 2: Accept the proposals submitted by Lapham Associates for design services, and engineering during construction, associated with the replacement of the dam spillway. Motion: Dennis, Support: Ron, Motion passed (7-0).

Motion # 3: Allocate funding for a business software subscription update for processing the payroll. Motion: Dennis, Support: Debra, Motion passed (7-0).

Motion # 4: Allocate funding for 2021 lake management consulting service and annual report by Restorative Lake Services. Motion: Ron, Support: Brian, Motion passed (7-0).

Motion # 5: Allocate funding for four new tires for the Equinox security vehicle. Motion: William, Support: Dennis, Motion passed (7-0).

Motion # 6: Allocate funding for transmission repair for the white Maintenance Department pickup truck. Motion: Gene, Support: Dan, Motion passed (7-0).

Motion # 7: Allocate funding for placement of limestone road mix for the storage/trash area entrance road by Swanson's Excavating. Motion: Dan, Support: Gene, Motion passed (7-0).

Motion # 8: Accept the proposal submitted by Lapham Associates for design services, and engineering during construction, associated with the lake dredging project. Motion tabled since the status of the dredging project has not been determined as of this date.

Motion # 9: Allocate funding for repair of FLPOA docks by Hammer Tyme Construction. Motion: Dennis, Support: Ron, Motion passed (7-0).

Motion # 10: Accept the proposed revisions to FLPOA insurance coverage. Motion: Ron, Support: Brian, Motion passed (7-0).

Motion # 11: Allocate funding for payment of two invoices from Birchler, Fitzhugh, Purtell & Brissette, PLC for attorney fees. Motion: Ron, Support: Debra, Motion passed (7-0).

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FLPOA SPECIAL BOD MEETING MINUTES

DATE: June 5, 2021

1. **Roll Call:** William Roth & Debra Wojie absent, **Quorum:** Yes
2. **Directors**

President	Dennis Monsere	Dam Safety
Vice-President	Ron Swagman	Legal, Lake Ecology, Fish Stocking
Secretary	Linda Huff	Housekeeping, Clubhouse/Pavilion
Treasurer	James Kelly	Campground/Cabin Rentals
Director	Gene Ross	Maintenance
Director	Brian Andrews	Office, Personnel, Insurance
Director	William Roth	Security, Rental Docks, Boat Launch Watch
Director	Debra Wojie	Assistant Treasurer, Refuse, Merchandise
Director	Daniel Mancani	Liens & Foreclosures, Storage Area

5. New Business:

Motion # 1: Accept the Budget prepared by James Kelly for the 2021/2022 fiscal year. Motion: James, Support: Dennis, Motion passed (7-0).

Motion # 2: Allocate funding for purchase of split rail fencing material from Rustic Rails to be installed by Maintenance. Motion: Gene, Support: Dennis, Motion passed (7-0).

**Meeting Minutes for the Annual Forest Lake Board of Directors Meeting
July 10, 2021**

Call to Order Time: 9:00 a.m.

Pledge of Allegiance: Alyce Ortel

Invocation: Alyce Ortel

Roll Call of Directors: Linda Huff (absent)

President	Dennis Monsere	Dam Safety
Vice-President	Ron Swagman	Legal, Lake Ecology, Fish Stocking
Secretary	Linda Huff	Housekeeping, Clubhouse/Pavillion
Treasurer	James Kelly	Campground
Director	Gene Ross	Maintenance
Director	William Roth	Security, Rental Docks, Boat Launch Watch
Director	Debra Wojie	Assistant Treasurer, Refuse, Merchandise
Director	Daniel Mancani	Storage Area, Liens & Foreclosures
Director	Brian Andrews	Office, Personnel, Insurance

Introduction of the Sergeant of Arms: Edward Lawrence

Owners Quorum: Article VI, Section 4 of the By-Laws states: "The presence of fifty (50) members, either in person or by proxy, shall constitute a quorum for the transaction of business at an Annual Meeting".

Parliamentary Procedure: The President did not receive any correspondence ninety (90) days prior to the meeting date, therefore, according to Article VI, Section 5 of the By-Laws, the Agenda will be as set forth, unless motioned otherwise by a Board Member.

Approval of the minutes from the BOD's June 5, 2021 Special Meeting

Motion: Ron Swagman, Second: Gene Ross, (Motion passed 8-0)

Purpose of the Annual Meeting: To elect candidates to the Board of Directors.

Introduction of Candidates: Dan LeFevre, Jerilyn O'Leary, Ron Swagman, Debra Wojie.

President's Report

I would like to thank the current members of the Board for the time that they have volunteered over the past year and especially for the extra time and effort required to deal with the spillway repair, Small Business Association loan, dock repairs and the Special Assessment in addition to normal business. It has been a year we would all like to forget. We have come a long way

toward restoring our lake and it definitely would have been much more difficult without the assistance we received from the local community. We still have a long way to go.

I have researched the office files and I would like to pass on some information regarding the controversy over the non-private status of our beaches. Our Association was incorporated as a non-profit corporation in September, 1970 and we were subsequently classified as a IRS 501 c4 tax exempt organization in 1976. In 1982 our facilities were inspected by the IRS and we received notification that "Private" signs, and other restrictions directed at the general public, did not agree with information provided with our 501 c4 application. FLPOA reapplied to the IRS in 1984.

In 2017 the Board consulted with our attorney to determine if closing the main beach to the public would be in violation of 501 c4 requirements. The response from the attorney was that making the main beach private would very likely jeopardize our tax exempt status. Our attorney's 2017 response letter also references 1984 correspondence from the attorney which states that "It is imperative that public access to the facilities of the Association is not prohibited. An essential element of the IRS review of FLPOA's application for tax exempt status was whether FLPOA's property is made available to the general public".

We cannot afford to lose our tax exempt status, especially during our current financial situation. Also, any effort to make Forest Lake a "private" community after we have been granted substantial public disaster assistance would not be politically correct.

The general public, and FLPOA members, that use the beach, or other FLPOA facilities, are required to follow our rules. The rules for the beach are clearly posted and our Security staff can require anyone that violates the rules to vacate the premises. Please contact security if you see someone causing an issue on the beach or at any other FLPOA facilities.

President, Dennis Monsere

DIRECTORS REPORTS

DAM SAFETY

Earlier this week Ron Swagman and I met with representatives from EGLE, USDA and our engineer, Lapham Associates, to review the status of the permitting process for the spillway repair project. EGLE has submitted requests for additional documentation to the engineer and they will be responding accordingly. In addition to the Dam Safety unit review the project is also being reviewed for requirements related to construction in floodplain and wetland areas. We do not have a definite schedule for submission of the documentation and the subsequent review by EGLE. Near the end of the permitting process there will be a 20 day public notice

period whereby any interested party can submit questions or comments. Typically the public comments do not result in any major changes to a project and therefore we should be able to issue the project for bids at the start of the 20 day period. Construction can not start until the permit is issued.

Our USDA grant will expire on March 31, 2022. However, USDA indicated that it may be possible for FLPOA to receive a time extension if unforeseen circumstances delay the project. USDA also stated that we should apply for additional funding if the engineers final estimate exceeds the estimate used to determine the grant amount. There is no guarantee that a time extension or additional funding will be granted.

President, Dennis Monsere

MAINTENANCE

The swim platform at the main beach has become a liability due to persons climbing up the support poles and jumping/diving off the platform during the low water conditions. Ron Swagman checked with our insurance agent and discovered that our liability insurance for the platform is automatically cancelled whenever the water depth at the platform is less than 8 ft. The Board is required to notify the insurance agent each spring when the water level is raised to reinstate the liability coverage. The insurance company prefers not to provide coverage for the platform due to the risk and recommends that the platform be removed when the water level is low. The platform will be removed permanently.

Director, Gene Ross

SECURITY

Forest Lake is fortunate to have a great staff on security, we have Ed Lawrence, Tom Hughes, Howard Cook and now Dennis Wirley. Dennis works mainly weekend nights. Dennis comes to Forest Lake with an exceptional record in his career with the State of Michigan. When you see our staff, please stop and talk to them. Any association based around a lake and up north always has some problem areas. The top three complaints Security receives from property owners are ORVs/golf carts(with minors and the vehicles being somewhere they should not be), dogs and noise. There are no dogs allowed on any beach and dogs must be leashed on any other common area here in Forest Lake. Please clean up after your pet. ORVs, carts, motorbikes, etc are not allowed on Common Areas(Article II, Section 9) and certainly not in our parks where children play. Please be respectful of neighbors when it comes to noise. States law mandates no fireworks after 11:45pm. The Dam spillway area is a constant problem with people "exploring" the area, this area is dangerous and totally off limits, please comply with any Forest Lake posted signage. If you observe a suspicious activity here on Forest Lake property, please call Security. We have had vandalism going on in the past several months. Just a reminder that if you need assistance because of a crime or injury, Call 911. Forest Lake Security is not a Law Enforcement agency. For DNR

assistance/violations call 1 800 292 7800 or text them with that number. Forest Lake Security can be contacted by 989 836 2787.

Director, William Roth

Introduction of the Voting Committee and the Election Results

Dan LeFevre : 354 Jerilyn O'Leary: 354 Ron Swagman: 414 Debra Wojie: 366
After the meeting Jerilyn O'Leary conceded.

The voting committee included Ann Burkel, Annette Kaczmarek, Mark Kuschyk, and Sandra Lawrence

Special Assessment Update

As indicated in the previous special assessment mailing, our original intention was to secure a low interest loan from the Small Business Association (SBA) and then collect the funds to repay the loan via a Moffatt/Clayton Township Special Assessment District (SAD). Several Board members attended the Moffatt Township Board Meeting in June and requested that the Township consider the creation of a SAD for lake dredging. The Township provided an update on some new information that had been brought to their attention but did not vote on a resolution to consider the SAD. If FLPOA obtains a petition signed by at least 51% of the members in favor of an SAD the Township would vote on the issue and is willing to complete all necessary paperwork.

Moffatt Township has supported FLPOA throughout our ordeal and have responded to every FLPOA request. The Township has expended considerable time on our behalf and they have incurred legal and advertising costs which have not been billed to FLPOA as of this date. We received the \$50,000 grant from the Saginaw Chippewa Indian Tribe solely as a result of the Township submitting a grant application on behalf of FLPOA. Rumors which have apparently been circulated indicating that the Township is unwilling to support Forest Lake are not true.

In order to create an SAD the Township would need to borrow the necessary funds in lieu of FLPOA borrowing the funds. The loan interest rate for the Township would be higher than normal due to unforeseen circumstances and they would also need to obtain approval to sell bonds. The process of creating an SAD would require considerable extra work for the Township and FLPOA and the timing would probably not allow the dredging project to start until early 2022. Therefore, the Board of Directors has decided to collect the assessment directly instead of using a Township SAD. This proposed method of assessment provides for substantial cost savings compared to the previous plan and also allows for earlier completion of the dredging project.

A new Special Assessment mailing that includes detailed cost information will be sent to all property owners as soon as we can print and assemble the information. The proposed assessment is \$1,580 per property owner regardless of how many lots are owned. Four payment plans are offered as follows:

SUGGESTED PAYMENT PLAN 1 FOR SPECIAL ASSESSMENT:

Lump Sum payment by August 31, 2021	\$1,580
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Alternate Plan 2 for Special Assessment:

First payment by August 31, 2021	\$790
Second payment by September 30, 2021	\$790

Alternate Plan 3 for Special Assessment:

First payment by August 31, 2021	\$527
Second payment by September 30, 2021	\$527
Third payment by October 31, 2021	\$527

Alternate Plan 4 for Special Assessment:

First payment of \$200 due August 31, 2021 with annual payments of \$200 for the next 9 years. Beginning in 2022 the Special Assessment Amount will be added to the regular dues owed, and will appear on the annual billing statement that is mailed at the end of every February.

Notes:

The suggested payment plan provides the Board of Directors with the funding necessary to immediately initiate the start of the dredging project. The bid package can be prepared by our engineering consultant and the project can be issued for bids. Construction would begin this year before the lake level is raised next spring. In addition, the suggested payment plan also provides up front funding for dock repairs and grant ineligible spillway repair costs.

If a substantial group of property owners select Alternate Plan 4 the Board may need to borrow funds in order to complete the dredging project this year. Therefore, the cost of plan 4 is increased to cover potential loan interest and administrative fees.

Please note that this assessment is based on estimated costs. If the final cost is less than estimated all remaining funds collected by the assessment will be deposited in the Dam Maintenance fund. If the final cost is greater than estimated the scope of work may need to be adjusted or alternate funding methods may need to be implemented.

President, Dennis Monsere

Public Comment

Question: Will the lake be restored to normal service by next spring?

Answer: The intent is to complete all dredging work and spillway repairs by March 31, 2022. However, there is no guarantee that the schedule will be met.

Question: What happens if an Association member does not pay the special assessment.

Answer: The member's status in the Association will be changed to "not in good standing" and can't vote in the annual election and loses all privileges available to Association members. (No dock, campground, pavilion, or clubhouse rentals, can't purchase boat stickers, etc.)

Question: Why are dock repair costs included in the special assessment and why doesn't the Maintenance staff complete the work?

Answer: The docks generate a substantial income that helps to keep the annual dues low for all Association members. Our Maintenance staff does not have enough personnel or the proper equipment to do the job. Maintenance may complete some of the work to help minimize the repair costs.

Meeting Minutes for Forest Lake Board of Directors Meeting August 28, 2021

1. Call to Order Time: 9:00 a.m.
2. Pledge of Allegiance
3. Roll Call of Directors: Dan LeFevre

President	Dennis Monsere	Dam Safety
Vice President	Ron Swagman	Legal, Lake Ecology, Fish Stocking
Secretary	Dan LeFevre	Liens & Foreclosure
Treasurer	James Kelly	Campground
Director	Gene Ross	Maintenance
Director	Brian Andrews	Office, Personnel, Insurance
Director	William Roth	Security, Rental Docks, Boat Launch
Director	Debra Wojie (absent)	Assistant Treasurer, Refuse, Merchandise
Director	Daniel Mancani (absent)	Storage Area, Housekeeping

4. Review of Previous Meeting Minutes: July 10, 2021 Annual BOD Meeting Minutes

Motion: Dennis Monsere; Support: Ron Swagman; Motion Passed (7-0)

5. Director Reports

a. Dam Safety Report – Dennis Monsere

The engineer initially used a 500 year storm event as the basis of the hydraulic design for the new spillway. After the EGLE Dam Safety Unit reviewed the proposed hydraulic profile they required the engineer to use the “storm of record” instead of the 500 year storm. Therefore, the design was modified to accommodate the increase in the design flow. In addition to the Dam Safety unit review the project was reviewed for requirements related to construction in floodplain and wetland areas. This additional review included a permit fee of \$1,500 in addition to the initial \$2,000 permit fee. The updated documents have been received by EGLE and the engineer has indicated that they expect comments back from EGLE early next week and that approval is finally on the horizon. As indicated at the July Annual meeting we hope to issue the project for bids at the start of the 20 day public comment period. Construction cannot start until the permit is actually issued.

Once we have a schedule for bidding the project we will meet with the engineer to decide if the March 31, 2022 final completion date required by USDA grant is still feasible. We may need to request a time extension for the grant.

b. Lake Dredging for 2021 AND Insurance Claim for recent storm damage at FLPOA – Ron Swagman

Due to the positive response from the recently published Special Assessment and the approval of the SBA loan, the Board of Directors has decided to reactivate the pursuit of the Dredging Project. The EGLE permit has been approved and the

agreement for the disposal of dredging spoils with the Seder Farm has been signed. Lapham Engineering has been given the approval to begin the development of the contractor bid documents. Lapham has estimated that we could be out for bidding in 3-4 weeks and possibly awarding a contract by the end of September. Construction could commence in early October and extend through the end of the year and possibly continue into next Spring. Completion is anticipated by early April 2022.

An insurance claim has been filed for the damage from the August 11 wind storm. The claim includes building damage, fencing, tree removal, and man-hours expended for clean-up. The insurance claim adjuster has already been on site to survey the damage and file his report.

c. **Liens and Foreclosure – Dan LeFevre**

Delinquent Homeowner Assessments: of 1161 HOA dues payable, On August 23rd we had 119 that had past due amounts that in total were \$69,768, or further delineated as follows:

\$30.00 - \$250.00 delinquent: 59 members
\$251.00 - \$500.00 delinquent: 14 members
\$501.00 - \$1,000.00 delinquent: 24 members
\$1,001.00 - \$1,500.00 delinquent: 12 members
\$1,501.00 - \$2,500.00 delinquent: 11 members
> \$2,500.00 delinquent: 0 members

Status of Liens: We currently have 74 liens filed of which an estimated 65 are on vacant lots and 9 include homes. We currently have no foreclosures in process. The board is working with legal counsel to pursue options to foreclose on delinquent assessments.

d. **Treasurer Report – James Kelly**

We are approved for an SBA loan. We are reviewing loan documents. We have collected \$618,000 in Special Assessment Funds to date.

e. **Maintenance – Gene Ross**

Our staff continues to do a fine job here at Forest Lake. A severe storm hit here and many residents had a lot of damage to homes, property and several days of power outages. I would like to remind property owners when in need of professional tree cutters to check and see if they are insured. There are some that are not and if they cause any damage, you may be the one footing the bill. Ask for a copy of the insurance policy. And require an invoice before you pay them. Never pay them until the work is completed.

f. **Security, Rental Docks and Boat Launch Report – Bill Roth**

Forest Lake spillway continues to have people trespassing, this area is very dangerous and is off limits to anyone unauthorized. The Sheriff Dept may be called if our staff observes anyone unauthorized in the area. Unleashed dogs are a problem here along with dogs on our beaches. No dogs allowed on the beach, dogs must be leashed if off your property by state law. If you are observed with an unleashed dog on Common Areas or a dog on the beach, you will be asked to leave. Also, please clean up after your dog.

Signs are posted on Dam Road for NO PARKING, a few property owners continue and insist to park there. If you observe anyone parking on the Dam Road, ORV's on Forest Lake Common Grounds, call Security. Our Common Grounds are not places for ORVs.

DNR Law Enforcement has been getting numerous complaints from Rifle River waterfront owners about kayakers, tubers, etc trespassing on their property, CO's have issued several trespassing citations this past month. A person cannot enter your property from the river without your permission, this is trespassing. The USFWS had treated the Rifle River for Sea Lampreys again this month, you may have noticed dead lampreys along the shoreline. The treatment kills only lampreys.

We continue to have vandalism here in Forest Lake. A private contractor had a pontoon boat taken for a "joy ride" and someone ran it aground, tools and equipment were tossed into our lake. Our maintenance pontoon was also vandalized the same evening, the steering wheel was kicked off. If anyone observed a pontoon boat running the lake around 7-9 pm on 8/24, a Tuesday, please call Security. If anyone suspects something is wrong or suspicious, call Security or if it warrants, call 911 or Sheriff Dept. This is the 3rd time of vandalism this summer to Forest Lake property. It appears someone living here in Forest Lake is vandalizing the area.

For an Emergency call 911, Sheriff Dept 1 989-846-4561, if no answer call 911. DNR 1-800-292-7800, you can also text this same number. Forest Lake Security is not Law Enforcement so if warranted, please contact proper authorities.

g. Ast. Treas, Refuse, Merchandise & Communication Report – Debra Wojie

Ast. Treasurer:

Refer to the Treasurer's report.

Refuse:

Nothing new to report. Please remember that the traffic flow in the trash area is ONE WAY! Please do not make a U-turn in front of dumpsters.

Merchandise:

The Online store closed at the end of July per McTaggart's. Items can now only be purchased at the Forest Lake office. No new winter clothing will be purchased because we have an abundance of it in the closet right now. New summer

merchandise will be purchased in the spring. I will investigate what other online possibilities are out there for purchasing merchandise.

Communications:

A weekly Forest Lake Fan Out email communication goes out to the homeowners. It is first sent to the board to review. I post that it has gone out on Facebook. It comes through a mass email company called Mail Chimp. I also post on Facebook the activities and when updates have been added to the Spillway and Special Assessment section on our website.

The Forest Lake website will be going through an update. The website contains information that is pertinent to all Forest Lake Property Owners Association members. You can find the latest updates about that Spillway and Special Assessment on the website.

Activities:

There is a full list of reoccurring activities available on our website at the link at the top of the homepage.

Over Labor Day weekend 2021 we will be having a Silent Auction in the Clubhouse on Saturday, a Cornhole Tournament and Corn Roast on Sunday, and the Pancake Breakfast on Monday morning. Thank you to all that have volunteered to host or work these events.

Dinner Club will be on September 15th under the Forest Lake pavilion. The meal will be catered by Marion Seder. Tickets are available in the office for \$10 and must be purchased by September 8th.

6. New Business

- a. **Motion # 2:** Accept the proposal submitted by Lapham Associates for design services, and engineering during construction, associated with the lake dredging project. Motion: Dan LeFevre; Support: Ron Swagman, Motion Passed (7-0)
- b. **Motion # 3:** Accept the updated proposal from Hammertyme Construction for repair and replacement of FLPOA boat docks which were damaged during the May 2021 flood. Monthly invoices to be submitted as the work proceeds. Motion: Brian Andrews; Support: James Kelly; Motion Passed (7-0)
- c. **Motion #4:** Allocate funding for payment of legal fees invoiced by Birchler, Fitzhugh, Purtell & Brissette PLC. Motion: Dan LeFevre; Support: Ron Swagman; Motion Passed (7-0)
- d. **Motion #5:** Accept the proposal from Winelander Fitzhugh Certified Public Accountants & Consultants for accounting services for the Special Assessment and Lake Dredging and Dock Repair Projects. Fees will be invoiced on a time/material basis at the rate of \$100 per hour. Motion: Dan LeFevre; Support: Gene Ross; Motion Passed (7-0)

- e. **Motion #6:** Allocate funding for payment of an invoice from Randy Bessey Tree Service for tree service on Forest Lake common property as a result of the August 10th storm. Motion: Ron Swagman; Support: Gene Ross; Motion Passed (6-1, William Roth opposed)

7. Public Comment

Question: Why are all of the members of the POA responsible for funding the cost of dock repairs and are the costs not passed on to those members who rent docks?

Answer: The docks are owned by the entire association and represent significant annual revenue that funds the costs of the association.

Question: Why are the dock repair costs not paid from the dock rental income?

Answer: We currently do not have a replacement source of income to fund the associations operating costs if we were to divert dock rental income to cover repair costs.

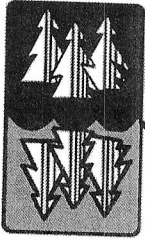
Question: Why are we not immediately enacting all of the recommendations of the Restorative Lake Sciences (RLS) July 2019 report?

Answer: While we hope to proceed with as many of the recommendations as possible, the spillway repair project has been prioritized by the Board as the primary objective. Until we have final permits and a reliable cost estimate, we do not know and systemic herbicide treatment have been established as priorities, followed by the possibility of aeration systems if funding is available.

Question: When did the Board vote to authorize the special assessment, was it a public meeting, and where are the meeting minutes?

Answer: The special assessment was discussed and reviewed at the July 10th, 2021 Annual Meeting. The Board subsequently proceeded with the special assessment. A review of the timeline and events will be reviewed and a public response will be provided in the near future. (See attached clarification memo.)

- 8. Motion to Adjourn at 10:18 am:** Ron Swagman; Support: Dan LeFevre; Motion Passed (7-0)



Forest Lake

Forest Lake Property Owners' Association
6180 Bobcat Tr., Alger, MI 48610 989-836-2155

SPECIAL ASSESSMENT PROCEDURES CLARIFICATION MEMORANDUM

SEPTEMBER 2021

Introduction

During public comment at the August 28, 2021 Board of Directors meeting the Board's procedures for issuing the July 2021 Special Assessment were questioned by Mr. Curtis Brown. This memorandum is issued to clarify the process used by the Board with respect to the applicable Bylaws.

Background Information

The following sequence of events is presented for reference:

- A Special Assessment package with detailed cost information and a voting ballot was mailed to property owners in April. Approximately 50% of the ballots were returned and approximately 85% of the ballots were in favor of the assessment.
- A Notice of the July 2021 Annual Meeting was mailed to property owners in early June along with a list of candidates for the election.
- A Special Meeting Notice was posted during the first week of June for a June 12th meeting to present updated Spillway Repair and Special Assessment Information.
- The special meeting was held on June 12th at the Pavilion.
- Several Board members attended the June 21st Moffatt Township Board Meeting to request that the Township create a Special Assessment District for collection of an assessment for dredging the lake. The Township was willing to participate and provided information on the required process.
- After reviewing the timeframe required for a Township Special Assessment District the Board reviewed other options and agreed to pursue issuance of the assessment directly. A revised Special Assessment package was prepared and distributed to Board members for consideration. The Board unanimously agreed to issue the assessment.
- The revised Special Assessment was presented in detail at the July Annual Meeting and property owners in attendance provided comments and questions.
- The Special Assessment was mailed to property owners approximately one week after the July meeting. Answers to property owner questions were subsequently posted on the FLPOA website.

Applicable Bylaws

Thirty days notice of the Annual meeting was provided per the Bylaws, Article VI, Section 2. The Annual Meeting Notice did not include information regarding the Special Assessment since the assessment was still being developed at that time. The proposed Special Assessment was presented to the membership at the July Annual Meeting but the Board did not vote to approve the assessment at the meeting as required by the Bylaws, Article VI, Section 14. However, the Board did explain the reason for the revised assessment and indicated that the Board had previously approved the revised assessment.

Conclusion

After further review of Article VI of the Bylaws, and additional discussion with Mr. Curtis Brown, the Board agrees that a vote on the proposed Special Assessment should have taken place at the July Annual Meeting and a revised meeting notice that included the Special Assessment should have been issued.

The Board takes full responsibility for the controversy and the resulting confusion.

Forest Lake Property Owners Board of Directors

FLPOA SPECIAL BOD MEETING

DATE: September 10, 2021

1. Call to Order
2. Roll Call
3. Directors

Time: 5:20 pm

Absent: None

President	Dennis Monsere	Dam Safety
Vice-President	Ron Swagman	Legal, Lake Ecology, Fish Stocking, Insurance
Secretary	Daniel LeFevre	Liens & Foreclosures,
Treasurer	James Kelly	Campground/Cabin Rentals
Director	Gene Ross	Maintenance
Director	Brian Andrews	Office, Personnel
Director	William Roth	Security, Rental Docks, Boat Launch Watch
Director	Debra Wojie	Assistant Treasurer, Refuse, Merchandise, Activities & Communications
Director	Daniel Mancani	Housekeeping, Clubhouse/Pavilion, Storage Area

6. New Business:

Motion # 1: Adopt the attached resolution required for closing of the Small Business Association loan associated with the current Lake Restoration Program. (SBA Form 160). Loan funds can only be used for lake dredging, repair/replacement of FLPOA docks and repaving of the FLPOA road over the dam.

Motion: Jim Kelly, Support: Dan LeFevre, Motion passed (9-0)

Motion # 2: Adopt the attached FLPOA Board of Directors policy regarding the use of the SBA Loan funds. Motion: Jim Kelly, Support: Dan LeFevre, Motion passed (9-0).



Forest Lake

Forest Lake Property Owners' Association
6180 Bobcat Tr., Alger, MI 48610 989-836-2155

Date: Sept. 10, 2021

Subject: SBA Loan DLB 1245549107

Regarding: Policy for Usage of SBA Loan Funds

The Board of Directors agrees to adopt the following procedures for use of the SBA loan funds:

1. The Board shall develop a financial plan for the Spillway Repair Project, repair of FLPOA docks and the Lake Dredging Project. The plan shall be developed as soon as possible after the actual cost of all three Construction projects has been determined. The plan shall include grant funding, special assessment collections, future special assessment collections, loan payments and possibly savings withdrawal. The plan shall be designed to minimize the usage of SBA loan funds. If the construction costs exceed the total estimated costs presented in the Special Assessment (\$1,580,000) the dredging project may need to be completed in phases or the scope of work may need to be reduced.
2. Loan funds will not be used for any eligible expenditure until the financial plan has been finalized, presented to Association members at an open meeting and approved by the Board.
3. The amount of the SBA loan shall be adjusted as soon as possible after the financial plan is accepted by the Board and the required loan amount has been agreed upon.



U.S. Small Business Administration

**RESOLUTION OF BOARD OF DIRECTORS OF
FOREST LAKE PROPERTY OWNERS ASSOCIATION OF ARENAC COUNTY**

(1) RESOLVED, that the officers of FOREST LAKE PROPERTY OWNERS ASSOCIATION OF ARENAC COUNTY (hereinafter referred to as "Organization") named below, or any one of them, or their, or any one of their, duly elected or appointed successors in office, be and they are hereby authorized and empowered in the name and on behalf of this Organization to execute and deliver to the Small Business Administration, an agency of the Government of the United States of America (hereinafter called "SBA"), in the form required by SBA, the following documents:

(a) Application for a loan or loans, the total thereof not to exceed in principal amount of \$1,372,300.00 maturing upon such date or dates and bearing interest at such rate or rates as may be prescribed by SBA; (b) Applications for any renewals or extensions of all or any part of such loan or loans and of any other loans, heretofore or hereafter made by SBA to this Organization; (c) the Note or Notes of this Organization evidencing such loan or loans or any renewals or extensions thereof; and (d) any other Instruments or Agreements of this Organization which may be required by SBA in connection with such loans, renewals, and/or extensions; and that said officers in their discretion may accept any such loan or loans in installments and give one or more Notes of this Organization therefore, and may receive and endorse in the name of this Organization any checks or drafts representing such loan or loans or any such installments; (e) sign Guarantee of loan or loans in the principal amount of \$1,372,300.00 to FOREST LAKE PROPERTY OWNERS ASSOCIATION OF ARENAC COUNTY

(2) FURTHER RESOLVED, that the aforesaid officers or any one of them, or their duly elected or appointed successors in office, be and they are hereby authorized and empowered to do any acts, including but not limited to the mortgage, pledge, or hypothecation from time to time with SBA of any or all assets of this Organization to secure such loan or loans, renewals and extensions, and to execute in the name and on behalf of this Organization or otherwise, any Instruments or Agreements deemed necessary or proper by SBA, in respect of the collateral securing any indebtedness of this Organization;

(3) FURTHER RESOLVED, that any indebtedness heretofore contracted and any Contracts or Agreements heretofore made with SBA on behalf of this Organization, and all acts of officers or agents of this Organization in connection with said indebtedness or said Contracts or Agreements, are hereby ratified and confirmed;

(4) FURTHER RESOLVED, that the officers referred to in the foregoing resolutions are as follows:

Dennis Monsere	President	
(Typewrite Name)	(Title)	(Signature)
James Kelly	Treasurer	
(Typewrite Name)	(Title)	(Signature)

(5) FURTHER RESOLVED, that SBA is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution regularly presented to and adopted by the Board of Directors of _____ at a meeting duly called and held at _____ on the _____ day of _____, 20____, at which a quorum was present and voted, and that such resolution is duly recorded in the minute book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names; and that the signatures set opposite their respective names are their true and genuine signatures.

Secretary

**Minutes for Forest Lake Board of Directors Meeting
October 12, 2021**

1. The meeting was conducted via email
2. Roll Call of Directors:

President	Dennis Monsere	Dam Safety
Vice President	Ron Swagman	Legal, Lake Ecology, Fish Stocking
Secretary	Dan LeFevre	Liens & Foreclosure
Treasurer	James Kelly	Campground
Director	Gene Ross	Maintenance
Director	Brian Andrews	Office, Personnel, Insurance
Director	William Roth	Security, Rental Docks, Boat Launch
Director	Debra Wojie	Assistant Treasurer, Refuse, Merchandise
Director	Daniel Mancani	Storage Area, Housekeeping

3. **Special Assessment Authorization Recommendation – Dan LeFevre:** In light of the FLPOA Board plans to recommend changes to the Bylaws and Restrictive Covenants and pursue collection methods for this members that have not paid their Special Assessments, Dennis Monsere and I recently reviewed the Special Assessment Clarification Memo posted to our website in September (<https://www.forestlakemi.org/wp-content/uploads/2021/09/SA-Clarification-Memo-rev.-1-Sept-2021.pdf>). The memo details the steps leading to the assessment in detail, but it does acknowledge the absence of a formal vote by the Board to authorize the Special Assessment. While all Board members were informed and aware of the steps, proper record keeping should be nevertheless be maintained. To resolve the current absence of a formal vote, I hereby make the following motion:

Motion (LeFevre) to formally approve the clear intent of the FLPOA Board to Levy the Special Assessment as presented to FLPOA members at the July 10, 2021 Annual Meeting in which a Board quorum was present, and the July, 2021 Special Assessment Notice letter that was submitted to all Board members for review prior to mailing. Further moved that the motion is effective July 16, 2021 to memorialize the clear intent of the Board. Support (Kelley). Motion passed (9-0).

Minutes for FLPOA Board of Directors Special Meeting November 20, 2021

1. Call to Order Time: 9:00 a.m.

2. Pledge of Allegiance

3. Roll Call of Directors: Dan LeFevre

Absent: None

President	Dennis Monsere
Vice President	Ron Swagman
Secretary	Dan LeFevre
Treasurer	James Kelly
Director	Gene Ross
Director	Brian Andrews
Director	William Roth
Director	Debra Wojie
Director	Daniel Mancani

Dam Safety
Legal, Lake Ecology, Fish Stocking
Liens & Foreclosure
Campground
Maintenance
Office, Personnel, Insurance
Security, Rental Docks, Boat Launch
Assistant Treasurer, Refuse, Merchandise
Storage Area, Housekeeping

4. Purpose of the Meeting

The purpose of the meeting is to present proposed revisions to FLPOA Bylaws and Forest Lake Subdivision Restrictive Covenants in regard to collection procedures for Special Assessments.

5. Proposed Revisions: Dan LeFevre reviewed the proposed changes as outlined in the Special Meeting Notice.

6. Public Comment

Question: Will the proposed changes allow the BOD to invoke Special Assessments whenever they want?

Answer: No, the BOD must comply with the existing, established notice requirements and public meeting procedures outlined in the Bylaws and Restrictive Covenants. Further, the BOD is elected by and responsible to serve at the direction of the FLPOA.

Question: Does the BOD plan to foreclose on the property of every member that has not paid their Special Assessment?

Answer: No, the BOD expects it will be necessary to initiate foreclosure action on member accounts with the most severely delinquent Annual Dues and an unpaid Special Assessment. The BOD is hopeful the initiation of foreclosure action will lead to payment prior to the completion of the process. The BOD is further hopeful that the initiation of foreclosure actions on the most severely delinquent member accounts will prompt other delinquent members to avoid such actions by paying all delinquent Annual dues and their Special Assessment.

Question: Section 9 of the Restrictive Covenants starts with the sentence, "These covenants shall run with the land and shall be effective in perpetuity and shall not be amended." In light of this provision, how can the BOD change them?

Answer: Our attorney, Mark Brissette, has advised us that the FLPOA can petition the State of Michigan through a Judicial Decree process, and Mr. Brissette believes the Judicial Decree could work to clarify a poorly worded paragraph six.

Question: Did our current attorney review the 1983 opinion letter prepared by former FLPOA attorney, Richard Weber, and, if so, what conclusions did Mr. Brissette make about the conclusion of the Weber letter that the Restrictive Covenants could not be changed.

Answer: Attorney Brissette was provided a copy of the 1983 opinion letter this fall and he indicated he believed Mr. Weber's conclusion was incorrect with respect in light of a possible Judicial Decree to clarify paragraph six of the Restrictive Covenants.

Question: Can we leave the By Laws and Restrictive Covenants as they are?

Answer: The BOD believes the proposed changes will provide needed clarity and consistency between our Bylaws and Restrictive Covenants and that is why the BOD has proposed the changes.

7. New Business:

Motion No. 1: Add the following statement to Article V, Assessments of the FLPOA Bylaws

"If any annual or special assessment payment is delinquent by 30 days, or more, the Association shall have the right to place a lien on the affected property and foreclose on it. Any attorney fees and costs associated with the lien and foreclosure shall be added to the amount of the lien. The delinquent assessment shall draw interest at the rate of seven percent per year. Any attorney fees and costs associated with the discharge of a lien shall be assessed against the owner of the effected property."

Motion: Dan LeFevre, Support: Ron Swagman, Motion Passed (9-0)

Motion No.2: Revisions to the Forest Lake Subdivisions Restrictive Covenants

Petition the State of Michigan seeking a Judicial Decree to Revise Section 6 as follows (ADDITIONS noted in ***bold, underlined, italicized font***, REDACTIONS noted by strike-through):

6) ASSESSMENTS TO PROPERTY OWNERS' ASSOCIATION

Each owner of property subject to this declaration shall pay an annual assessment and any special assessment authorized by the Board of Directors to the Forest Lake Property Owners' Assn.

- a) Assessments levied by The Association shall be used to promote the recreation, health, safety and welfare of the residents in this subdivision and, in particular, for the improvement, maintenance and construction of facilities devoted to the common use and enjoyment of the owners, including payments to the developer for facilities constructed, and intended for the use and enjoyment of the owner, payment of taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of the labor equipment, materials, management and supervision thereof.
- b) The annual assessment shall be \$30.00 (raised to \$170) per property, it being herein established that one or more lots whether or not contiguous, shall be treated as one property if held by a common owner and subject to a single \$30.00 (raised to \$170) annual assessment. The directors of the Association may fix the actual needs for any year. After 1975, the basis and amount of the assessment may be increased or decreased by an affirmative 2/3's vote of the owners. The quorum for such action shall be 60% of the property owners voting, either in person or by proxy, 30 days after written notice has set forth the purpose of such meeting.
- c) Annual assessment shall commence on the 1st day of April 1969. Succeeding assessments shall be due and payable on the 1st day of April of each year. No adjustment or pro-rations of assessment shall be made by the Association. Assessments shall be considered as paid in advance.
- d) The Board of Directors of The Association shall prepare a roster of the properties and assessments applicable thereto at least thirty (30) days in advance of such assessment due date. Such assessment shall be kept in the office of The Association and shall be open to inspection by any owner. Written notice of the assessment shall be sent to every owner subject thereto.
- e) ~~Assessments not paid when due shall be a continuing lien upon the property and shall extend to each of the lots owned by the multiple lot owner and shall bind such property in the hands of the delinquent owner, his heirs and assigns. The obligation of the owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them. A \$5.00 penalty fee shall be added to assessments not paid within 30 days of the due date and The Association may bring an action at law against the owner and fore close the lien against the property. Delinquent fees and cost of preparing and filing the complaint shall be added to the assessment in such action and in the event that judgement is obtained, such judgment shall include interest on the total amount and reasonable attorney fees to be fixed by the court, together with the cost of the action.~~ **If any annual or special assessment payment is delinquent by 30 days, or more, a \$30.00 penalty fee shall be added to the assessment and the Association shall have the right to place a lien on the affected property and foreclose on it. Any attorney fees and costs associated with the lien and foreclosure shall be added to the amount of the lien. The delinquent assessment shall draw interest at the rate of seven percent per year. Any**

- attorney fees and costs associated with the discharge of a lien shall be assessed against the owner of the effected property.**
- f) The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment.

Motion: Dan LeFevre, Support: Ron Swagman, Motion Passed (9-0)

8. Motion to Adjourn at 10:07 am: Dan LeFevre, Support: Ron Swagman, Motion Passed (9-0)
-

Minutes for FLPOA Board of Directors Meeting November 20, 2021

1. Call to Order

Time: 10:08 am

2. Roll Call

Absent: None

Quorum: Yes

3. Review of previous meeting minutes

Motion #1: Approve the August 28, 2021 BOD Meeting Minutes, September 10, 2021 Special Meeting Minutes and the October 13, Special Meeting Minutes.

Motion: Jim Kelley, Support: Ron Swagman, Motion Passed (9-0)

4. Director Reports

- a. Dam Safety Report - Dennis Monsere

The State of Michigan Department of Environment, Great Lakes and Energy (EGLE), Water Resources Division (WRD), DNR Dam Safety Unit issued a correction request on September 22, 2021. Our engineer, Lapham Associates, provided the requested documentation and a virtual meeting with EGLE, Lapham, and FLPOA Board members was held on October 11, 2021 to discuss the submittal, address any concerns and attempt to stimulate more timely progress. Additional information was submitted to EGLE after the virtual meeting. Three separate State Agencies have reviewed the documents for dam safety requirements (hydrology, hydraulics, structural and geotechnical), wetlands impact and floodplain requirements.

Draft comments on the October submittal were received from EGLE on Nov. 9, 2021 for the dam safety and wetlands issues. Comments regarding the floodplain issues should be complete next week and another formal correction request by EGLE will be issued. There are no further wetlands issues to be addressed and the remaining dam safety comments appear to be relatively minor. If there are no further floodplain issues we should be into the final phase of the permitting process which includes a 20 day public notice period.

Lapham Associates is preparing a response to the draft comments received to date and has indicated that they are ready to issue the project for bids in December. The Board will also review the possibility of soliciting bids before the start of the 20 day public notice period if the public notice period is delayed. The bidding process and award of a contract will require approximately 6 weeks and therefore a conservative date for Contract award would be early February, 2022. Construction of the access road and some demolition work may be initially possible depending on weather conditions. However, major construction work will probably not start until late spring. Lapham Associates estimates that the construction project will require at least 3 months to complete under ideal conditions. Material and labor shortages may extend the construction time significantly.

A draft time extension request for the USDA grant has been submitted for review with an anticipated construction completion date of late August, 2022. This date may be adjusted when additional information is available but it appears very likely that for the best case scenario we will not be able to raise the lake level until mid or late summer or not at all for the 2022 season.

b. Legal, Lake Ecology, Fish Stocking, Insurance, Ron Swagman

FLPOA Dredging Project Bidding Documents

Instructions to bidders was not clear if alternatives to specifications would be acceptable.

Lapham modified the Dredging Project Bid documents as follows:

1. Instructions to bidders will include a request for alternatives to specifications
2. Scope of work can be modified as to the four areas quoted for an extended time due to availability of equipment, labor, and weather conditions – negotiable with owner before and during construction
3. Spoils disposal sites on adjoining private properties will be negotiated with owners by Lapham and designated sites will be shown on the plans.
4. A re-design of the pathway to disposal sites will minimize crossing of county maintained roads
5. Attempt to contain the optimum amount of spoils on Association property.

Lapham has released the New time table for bidding:

- Advertisement for Bids released on November 1, 2021
- Bid documents have been modified and released on November 7, 2021
- Bids are due on November 30, 2021

Bids will be analyzed by Lapham and recommendations will be presented to FLPOA by December 6, 2021

c. Liens & Foreclosures - Daniel LeFevre

Member response to October 14th Past Due Letter

- i. 41 phone calls since letters were opened (starting Thursday 21st)
- ii. 28 of those called either had or agreed to pay
- iii. 8 complicated calls with widely varying issues to follow up on
- iv. 4 single lot owners indicated they could not pay and we agreed to keep communication lines open

Possible marketing plans for Lots owned by FLPOA

- i. Put lots on the FLPOA website listed at the 2xSEV (assessed value)
- ii. List the lots with a realtor
- iii. Put together an FLPOA closed bid auction
 - minimum bids set at \$1,580 (plus any unpaid RE taxes)
 - mail out details (or post on website) to all FLPOA members
 - request sealed bids be returned to FLPOA office by a certain date and addressed to the Board of Directors / Lot Bid
 - sell any lot to the high bidder (if above minimum)

We have a homeowner that wishes to donate their lot on N Forest Lake Dr. SEV is \$1,500, taxable value is \$1,197. I did not get HOA status. SA is unpaid. I recommend we attempt to sell the six we have before we accept any additional lots.

d. Maintenance – Gene Ross

Update on the status of the dock repairs and recent maintenance projects provided.

e. Office, Personnel – Brian Andrews

No report

f. Security, Rental Docks, Boat Launch Watch – William Roth

Update on the status of security efforts provided

g. Asst. Treasurer, Refuse, Merchandise, Activities & Communications – Deb Wojie

- i. **Asst. Treasurer:** refer to treasurer's report
- ii. **Refuse:** The dumpsters at the campground along with two others at the trash area have been closed for the winter season
- iii. **Merchandise:** New throws, wine koozies, bucket hats, winter hats, winter hat and glove sets, and soft coolers are available in the office in limited quantities
- iv. **Communications:** Currently we have over 300 people signed up to get the Forest Lake Email Fan Outs. We only send out a new Fan Out when we have something new to communicate to the homeowners. The Forest

Lake website has seen some changes and should be more smartphone friendly. It updated and contains the most recent information. It is updated when new information becomes available.

- v. **Activities:** Some of the summertime activities have come to an end for the 2021. For a complete list of activities go to the Forest Lake website.
- h. **Housekeeping, Clubhouse/Pavilion, Storage Area – Dan Mancani**
No report

5. **New Business:**

Motion #2: Allocate funding for payment of legal fees invoiced by Birchler, Fitzhugh, Purtell & Brissette PLC. Motion: Swagman; Support: LeFevre; Passed (9-0)

6. **Public Comment: None**

7. **Motion to Adjourn** at 11:15 am: Dan LeFevre, Support: Ron Swagman, Motion Passed (9-0)