



SPECIAL MEETING **LAKE IMPROVEMENT PROJECT**

To All Lake Carroll Property Owners:

In accordance with the By-Laws, "Meetings of Members" found in Chapter 33.20-33.26 notice is hereby given of the Special Meeting of the Lake Carroll Association to be held on Saturday, August 26, 2017, at 12:30 p.m. at Lake Carroll Clubhouse (Lower Level), Lake Carroll, Illinois for the purpose of voting on the proposed Lake Improvement Project. (See abbreviated agenda.)

The Association Office Staff will be at the Lake Carroll Clubhouse at 11:30 a.m. to begin check-in procedures. Please be prepared to present your Lake Carroll Amenity Card upon check-in. Please be reminded that your **dues, capital development assessment, lake assessment, and any fees** must be **CURRENT** to be entitled to vote on this initiative.

One item is on the enclosed proxy card.

APPROVE to obtain a \$2,300,000 line of credit for LAKE IMPROVEMENT PROJECT funding to be repaid by assessment as per the enclosed.

The Board sees the Lake as the number 1 priority for the Association. The Lake Committee has proposed a number of new projects or accelerated implementation of planned projects, all designed to improve the quality of the Lake and "reset the clock" on the Lake to allow more efficient management of this resource. At the June 23, 2017 Board of Directors meeting the Board approved the final draft of the proposed Lake Carroll Lake Improvement Project for your consideration and approval at our Special Meeting on August 26, 2017. In asking for your vote of approval, the Board wants you to know that the Lake Improvement Project has been prepared and presented under the direction of the Lake Committee, Lake Manager, Finance Committee, Operations Management, and other interested parties. *Please refer to the enclosed insert for details on this project.*

While the Lake is our number 1 priority, the Board of Directors also feel it is important to maintain our existing assets and amenities. Because the Lake Improvement Project will be implemented in addition our existing activities to operate and maintain the Association, the Board, with the assistance of the Finance Committee, determined that it was best interest of the Association to fund the Lake Improvement Project separate from the annual dues. Keeping the Lake Improvement Project funding separate also provides maximum transparency on how these additional funds will be used. The Lake Improvement Project will be funded by a \$2.3 million line of credit with a 5-year term, which will be repaid with an additional assessment of \$1200, payable over 5 years. Members will also be given the option to pay the entire assessment as a one-time payment instead of over 5 years. Because the one-time payment will save the Association interest and administrative expenses, the one-time payment of the assessment will be reduced to the amount of \$1025. *Please refer to the enclosed funding policy passed by the Board at the July 28, 2017 Board meeting for more details on the project funding.*

The Board urges you to vote YES on the Proxy Item.

As we look forward to taking care of our 45-year old lake, we thank you for your support and cooperation.

Sincerely,
Lake Carroll Board of Directors

Proposed Agenda

Special Meeting of the Lake Carroll Association
August 26, 2017
12:30 p.m.

- I. Welcome
- II. Announcement to Establish a Quorum
- III. Special Line Items Presentation & Voting
- IV. General Remarks & Questions from the Audience
- V. Adjournment

PROXY INFORMATION AND VOTING PROCEDURE

Every member of the Association in good standing is entitled to vote in person or by proxy.

If you use the 4" X 6" proxy post card, fill in all blanks. Please use either a typewriter or **print in CAPITAL letters**. **SIGN** and **DATE** the proxy. If undated, your signature will be authority for the Association to enter the date of receipt. The Proxy Committee is the Lake Carroll Board of Directors.

ONE (1) Line Item: FUNDING OF THE LAKE IMPROVEMENT PROJECT

We recommend you refer to the pages enclosed within this packet for complete details regarding the issue to be voted on, listed above.

You may attend and exercise your own vote at the Special Meeting whether or not you have signed a proxy.



You may also assign a written proxy to anyone attending the meeting to act in your behalf by crossing out "Lake Carroll Board of Directors" and inserting their name in the space provided.

IF YOU HAVE A PROXY IN EFFECT, YOU MAY SUBSTITUTE OR REVOKE IT AT ANY TIME PRIOR TO THE ONSET OF THE SPECIAL MEETING ON AUGUST 26, 2017.

Please return the **PROXY CARD** directly to the Admin Office. You may:

1. Drop it at the Admin Office in the PROXY box OR
2. Mail it as a postcard with postcard postage affixed OR
3. Mail it in the enclosed envelope with first class postage affixed.

**Your PROXY must be received
prior to the start of the
Special Meeting.**

1 	PROXY POST CARD 1. Print your name. 2. Mark your voting preference for each item. 3. Print date, city, state. 4. Clearly list your dues-paying section and lot numbers. 5. Place your signature on the bottom right line. <i>Signature required for vote(s) to be valid.</i> 6. Turn over, affix First Class Postage or you may drop your proxy at the LCA Office.
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Your proxy cannot be exercised for any purpose unless it has been
SIGNED, DATED, AND FILED with the Association.

Lake Improvement Project Funding Plan Policy

Lake Carroll Association initiated a Lake Improvement Projects program in 2017 to fund a series of projects focusing solely on the Lake to be implemented in roughly the 2017 to 2019 timeframe. This policy provides details on the funding mechanism for this program.

1. The assessment for this program shall be attached to all dues-paying Lots on record as of 8/26/2017.
2. Associate Members and Co-Owner Members shall not have any additional assessment due to this program.
3. The Lots owned by the Lake Carroll Association on 8/26/2017 shall not be assessed for this program. Any Lots owned by the Lake Carroll Association sold after 8/26/2017 shall not have any payment due related to this program.
4. Members shall have the option of a one-time payment of \$1025, due by 11/30/2017, or \$1200 payable as 5 annual payments of \$240, due by 11/30/2017, 11/30/2018, 11/30/2019, 11/30/2020, and 11/30/2021 for each dues-paying Lot.
5. If a Member does not pay the full \$1025 payment by 11/30/2017, and at some point in the future wishes to pay off the balance in full early, that Member shall be liable for the balance of the \$1200 that has not yet been paid.
6. If a dues-paying Lot is sold after 8/26/2017, the balance of the assessment for this program that has not yet been paid shall become immediately due.
7. Any large Lot that has been replatted that is liable for more than one set of annual dues shall only be charged a single one-time payment of \$1025 or 5 payments of \$240.
8. Any Lots under a contiguous lot agreement or have been replatted as of 8/26/2017 that are later separated into individual dues-paying Lots shall not become liable for additional assessments due to this program.
9. All funding generated by this plan shall solely be used for funding Lake related projects.
10. Any funding generated by this plan in excess of that needed to fund the specifically identified projects plus the cost of financing the line of credit shall be used for additional Lake related projects as recommended by the Lake Committee and the Lake Manager, and approved by the Board of Directors.

Board Approved 7/28/2017