

Friday May 23, 2003

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Board Members

Dave Higgins, President
Rich Bartelt, V.P.
Dick Boyde, Secretary
Thomas Berry, Treasurer

Riva Ridge Review
Riva Ridge Residential Association One
www.rivaridge.com

Res. One Tips:

- Prevent the possibility of your kitchen water pipes freezing in the winter when temperatures are below freezing. Open the cabinet doors and let the water trickle.
- If your toilet starts running water into the tank and no one has used it, you should have the flapper seal replaced in the toilet supply tank. Water is the most costly item in the operating budget.
- When you replace your water heater, make sure your vendor also adds a metal pan with a drain outlet under the new water heater for the next leak or water heater problem. By the way it is now code in the village. This is very important if you live in a Model 102 unit.
- For more information and tips about Riva Ridge, go to www.rivaridge.com.

Kalman Management (847)-362-9624

Roofing Project

We are sure by now you have all seen the progress being made on the roofs. If roofs are beautiful, then ours are most beautiful. The Board has worked hard to bring about this result and I am very grateful. Take notice, there are copper flashings and valleys, 6" cutters and down spouts and (*best of all*) shakes that are guaranteed for 50 years. Cedar Roofing Company has guaranteed their work for 10 years, isn't that great?



We thought you might want to witness the Board delivering the contract to Matt Wilkinson owner of Cedar Roofing. *From left to right, Dave Higgins, Rich Bartelt, Dick Boyde, Matt Wilkinson, Tom Berry.*

From the President

Many of you know and have experienced the conflict and frustration that goes with being a Board member. Anyone will tell you it is a thankless job. However, when level headed people determine to work together, good comes out of it. During my term as president, I couldn't ask for more support. That doesn't mean that we always agreed but we determined that we wouldn't be disagreeable. I have enjoyed working with the current board members and look forward to

servicing Res. One in the future.

There is still a lot to be done. The re-roofing project needs to be monitored; an escrow account needs to be setup; final detail on the bank loan worked out. *We have a commitment but final documents need to be prepared.* Architectural Control needs to be better defined and many other issues.

One that disappoints me is the unwillingness of owner to serve on the Board. The headway we

have made didn't just happen. It took dedicated people willing to give of their time, effort and wisdom to accomplish goals. Riva Ridge is a beautiful community and the units are well designed and have increased in value at a steady pace. This could all go down the drain if everyone stops caring and refuses to step up to serve as a board member.

Think it over...you owe it to yourself to be sure the association runs well.

Dave Higgins

From our Counsel

Shelley Barnett



They said, "We can't afford Cadillac roofs" but we gottem.

Nothing in Illinois law explicitly states the ramifications of the members of a not for profit corporation failing to elect a board of at least three members (and, better still, of the appropriate number specified in the corporation's bylaws). Failure to have at least the statutory minimum of three (and enough to meet the quorum requirements of the corporation's bylaws) can cripple the association.

Management and usually at least one board member try hard to influence others into serving. Generally, with at least one remaining board member, such member can appoint other members to the board until the next election (for a condominium association) or until the expiration of the term (for a homeowners association). Board members might stay past the end of their terms until new members can be elected/appointed. The concept of recompense for board members may even arise; in the event the governing documents permit it, it may be a way to get some owners to "serve". No governmental entity is going to automatically step in and make things "better" in the absence of members operating the association properly. Someone might bring an action to appoint a

receiver or a board to operate the association in the circumstances. The management company may be the nominal plaintiff, as the duly appointed agent of the association. The attorney might even petition the court for authority on behalf of the association. Unit owners may also bring such a suit, although their own refusal to serve on the board may make their claim of strangled operations due to lack of a board seem disingenuous. Since one owner cannot individually comprise a board in any event, such a single owner may bring a suit without seeming as compromised in his/her position. Further, there are circumstances where an owner may not be an appropriate choice as a board member (for instance, potential or actual conflict of interest, health reasons, physical location), but such owner may be sufficiently concerned about operations as to seek court intervention to ensure the proper operation of the association.

Board members are elected for terms, and they have the right to resign.; they cannot be forced to remain "chained" to a board position. At the same time, electing board members who may be

axiomatically unable to meet their fiduciary obligation to an association (due to concurrent responsibilities to another association) may result in the inability of an association to properly operate. For example, an association with all of its board members being members of a separate association's board with opposite rights/interests, might find itself ungoverned were the interested directors to recuse themselves (or might find itself defending against breach of fiduciary duty charges due to their failure to recuse themselves)). Sometimes an association needs a "cheerleader". A magnetic personality, a "can-do" attitude and some measure of good luck can help an interested person convert a few others to the cause. The cause is not the championing of a position; it is the operation of an association by diligent persons exercising reasonable business judgment in the execution of their fiduciary duties. The real threat of an inoperable association and the expenditure of its resources on court intervention can often bring reluctant, but responsible members to the directors' table.

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