

Master Property Owners Association

Wonder Lake Recreation Area

Dredging Project

December 2008-December 2018

The dredging resulted in a final total of 516,265 cubic yards of sediment being removed from shallow areas of Wonder Lake, improving lake usage, fish habitat and water quality. This volume has been confirmed by the required survey of dredged areas, and subsequent review by the MPOA dredging consultant.

To put this volume in perspective, this is roughly the equivalent of almost 29,000 semi dump truck loads of nutrient-rich sediment no longer in the lake, and available for potential resale to help fund future lake maintenance activities.

Lake Restoration Q & A

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Wonder Lake Restoration

On December 17, 2008 at 7:00 P.M., the Village of Wonder Lake will hold a hearing to consider creating a one-time Special Service Area (SSA) taxing district for the restoration of Wonder Lake.

The purpose of the SSA is to generate funding to address the degraded condition of Wonder Lake, a private, man-made reservoir created by the construction of a dam across Nippersink Creek. Ninety seven square miles of largely agricultural areas drain to Wonder Lake, and since the lake was created in 1929, approximately three million cubic yards of eroded sediment have accumulated in the lake. The accumulated sediment is creating serious water quality impacts, as well as restricting recreational use of the lake. The need to dredge this accumulated sediment was first discussed by the MPOA in 1964.

The proposed one-time SSA will fund a \$ 5.9 million restoration plan for Wonder Lake, and represents a community wide investment by property owners to protect and enhance the community's single greatest asset. This project will allow approximately one million cubic yards of sediment to be dredged from Wonder Lake, and be pumped to a sediment dewatering facility on an 80 acre site. That landowner is donating the use of that property to the MPOA for a 10-year period. As the sediment is dewatered and dried, it will be sold as topsoil due to its high organic content. The proceeds from the sediment sale will hopefully fund additional sediment dredging.

As every parcel within the proposed SSA boundary has deeded lake rights or contiguous access to the lake, the critically needed dredging will help protect and enhance the portion of parcel market value attributable to having deeded lake rights. More importantly, properly planned, the SSA could be the catalyst to allow the dredging funds to be leveraged into providing watershed- and county-wide benefits.

Ongoing efforts to find outside dredging funding sources have been unsuccessful, as the Illinois Environmental Protection Agency (IEPA), the most likely funding source of water quality projects, does not fund dredging projects. However, as the dredging of Wonder Lake was included as a recommendation in the 2007 Nippersink Creek Watershed Plan (NCWP), the amount spent on a SSA funded dredging project could be used as the 40% local cost-share match for a IEPA Section 319 grant. A similar arrangement was undertaken in central Illinois in 2003, as described at <http://www.epa.state.il.us/news-releases/2003/2003-055-lake-arlann.html>

Under this arrangement, up to eight million dollars in federal cost-share funding could potentially be obtained to implement NCWP recommended water quality enhancement projects through the entire Nippersink Creek watershed, which comprises approximately 25% of McHenry County.

Any of these NCWP water quality projects implemented upstream of Wonder Lake will serve to further protect and enhance the water quality of Wonder Lake, Nippersink Creek, and the Fox River.

As the Fox River is already utilized as a source of drinking water in Kane County, and groundwater shortages are predicted for those portions of McHenry County closest to the Fox River, watershed wide efforts to protect and enhance the quality of the river and its tributaries are essential. The restoration of stream corridors and wetlands, as recommended in the NCWP, will further serve to protect and enhance McHenry County groundwater recharge areas.

As mentioned in the county's own Stormwater Management Ordinance, Wonder Lake is also important to the management of stormwater in the Nippersink Watershed. The restoration of Wonder Lake will enhance the ability of Wonder Lake to manage stormwater and protect downstream properties.

On November 1, 2007, the MPOA board of directors, recognizing the benefits of restoration of Wonder Lake,
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voted by a 60% majority to pursue the Special Service Area.

On November 21, 2007, the Village of Wonder Lake unanimously passed a resolution endorsing the restoration of Wonder Lake, funded through a SSA administered by McHenry County.

On March 18, 2008, the McHenry County Board, by a 16 to 7 margin, passed a critical resolution supporting the creation of a Wonder Lake Special Service Area (SSA) through the Village of Wonder Lake (VWL).

Details of the MPOA dredging / SSA outreach efforts plan can be found on the MPOA web site, <http://www.wlmpoa.org/>

Details of the Nippersink Creek Watershed Plan can be found on the committee's web site, <http://nippersink.org/>

March 22nd, 2010

MPOA Directors vote to approve a Resolution authorizing a Bond Sale Agreement between the MPOA and the Village of Wonder Lake, and for Village of Wonder Lake to issue \$620,000 Bond to fund initial design and permits.

MPOA Director Vote: 34 YES, 32 NO, 2 ABSTENTIONS
(Abstentions added to prevailing side)

- Final vote tally: 36 YES, 32 No.
- Bond Purchase Agreement, (PDF 7.1mbs)
- Agreement between MPOA & VWL, (PDF 7mbs.)

March 25th, 2010

- Bond in amount of \$620,000 Issued. (PDF 1.3mbs)

June 1st, 2010

Judge Caldwell approves MPOA Motion to Expedite

- (PDF 60kb)

Judge Caldwell approves MPOA Third Party Complaint

- (PDF 1.7mbs)

Lake Restoration moves forward!

OVERVIEW

In March 2010, a \$ 620,000 bond was sold to pay for expenses incurred to establish the SSA, and to fund the preliminary design and permitting phase of lake restoration. This phase is well underway and various field studies have been conducted and additional sediment samples gathered and lab tested.

Through the efforts of our Officers and Lake Manager, the MPOA also applied for and was awarded roughly four million dollars in bonding capacity by McHenry County under the American Recovery and Re-investment Act Stimulus Program. This program will allow the lake restoration SSA bonds to be sold at a much lower rate of interest, which will benefit everyone within the SSA territory. It has been estimated that the MPOA efforts to get this bonding will save the community over 1.2 million dollars in interest payments over the 20-year SSA lifespan.

With any large project, there are bumps in the road that must be overcome. A number of allegations have been charged and a lawsuit has been filed to try stopping lake restoration. The suit is now making its way through the court system. The major concern of the lawsuit is that it will prevent the sale of the rest of SSA bonds at the very low stimulus interest rates. Instead, if not settled in time to complete their sale by the County imposed Sept. 30, 2010 deadline, the bonds will be sold at a much higher interest rate. This would result in higher annual SSA payments. Additionally, the expenses incurred by the MPOA in defending its actions will reduce the amount of money available for dredging as the SSA bonds cannot exceed \$ 5,930,780. — 6/4/2010

Judgements in favor of defendants

A pair of lawsuits filed by Wonder Lake businessman and property owner T.P. Mathews was heard by Judge Michael Caldwell of the 22nd Judicial Circuit of McHenry County August 17. Judge Caldwell found against Mathews in both cases, spelling relief for the Wooded Shores Property Improvement Association and the Master Property Owners Association. The judgements were filed August 30th.

Judgement: Mathews vs MPOA (pdf)

Judgement: Wooded Shores (pdf)

Article: Lawsuits bought by WL businessman found in favor of defendants (pdf) Reprinted with permission from Woodstock Independent
9/30/2010

Appeal and Motion to Sanction

T.P. Mathews filed an appeal September 16, which was received by the MPOA through the mail September 21st. The MPOA and its attorney Dean Krone of Hodges, Loizzi, Eisenhammer, Rodick & Kohn have filed a motion in response for sanctions against Mathews and his attorney to recover funds they have spent on defending these lawsuits.

Notice of Motion For Fees (pdf)

Notice of Motion For Sanctions (pdf)

Court Order Motions (pdf)

UPDATE: Court order of 11/5 denying appeal, acknowledging that the Circuit Court still has jurisdiction, ordering Mathews to respond on 11/5 to the MPOA Motions for sanctions and fees, allowing the MPOA to respond to T.P.'s response and setting the hearing on Mot5ions for sanctions and fees for 11/30/10. (PDF)

McHenry County Bond Approval

By a vote of 19 YES, 2 NO and 1 abstention, The County of McHenry Board voted to APPROVE an ordinance authorizing the County to issue a \$3,820,000 bond through the American Recovery & Reinvestment Act (Stimulus Bonds). The balance of the money necessary to fund our dredging project will come from a Village of Wonder Lake bond in the amount of \$2,110,000.

See PDF that includes estimates of the real estate property tax assessment on properties within the SSA Territory over the 20 year life of the bonds and includes the principle, interest and all fees necessary to put the funds in place.

Please note that the numbers illustrated in red represent information that was the basis for approval of the SSA in 2008. The new numbers, based on the combination of a Stimulus Bond and a VWL bond totaling \$5,930,000, represent an approximate 30% reduction in cost to owners of property located within the SSA territory.

McHenry County Assessment Summary (PDF)

SSA # 9 Bonds Have Been Sold!

The \$ 5.9 Million in lake restoration bonds authorized under SSA # 9 have been sold, and the funds are now being held by a trustee.

Earlier information provided to the MPOA led us to believe that the payment amount for SSA # 9 that would appear on the property tax bills received in 2011 would be for a reduced amount.

After this information appeared in the most recent MPOA newsletter, it was brought to our attention that the amount due on the 2011 tax bills would instead be closer to what typical payments will be for the balance of the SSA period.

Upon learning of this error, the MPOA invited the SSA bond counsel to appear at the May MPOA Director's meeting to help explain why the confusion occurred. The information presented satisfactorily addressed any concerns or questions raised by the MPOA Director's.

The MPOA sincerely regrets any confusion this situation may have caused.

Proposed Sediment Drying Facility Location Has Changed!

Due to the recent bankruptcy declaration by the landowner who controls the preferred stream corridor alignment between Wonder Lake and the proposed Sediment Drying Facility (SDF) offered to us at Thatcher Meadows, the short-term likelihood of successfully negotiating an access or purchase agreement for that preferred alignment has disappeared.

To keep our lake restoration efforts moving forward, the MPOA is now planning to construct the SDF on vacant farmland south of Galt Airport and east of Greenwood Road, which was formerly platted as Phase 2 of the Meadows of West Bay (MOWB) subdivision. That Phase 2 parcel has already been purchased by a local business group very supportive of lake restoration, making it available for our use.

The connection between the new SDF site and Wonder Lake is a common open space area / stream corridor in Phase 1 of MOWB, that is controlled by the Village of Wonder Lake. The MPOA is already working with the Village and other regulatory agencies to secure the necessary approvals for this new SDF site.

Lake Restoration continues to move forward!

Lake Restoration Public Notice Issued

U.S. Army Corps of Engineers Issues The Public Notice for the Lake Restoration Permit

On August 29th, 2011, the U.S. Army Corps of Engineers (USACE) issued a Public Notice for the Wonder Lake Restoration Project.

This is the first step under their regulatory program to review, approve, and issue the Section 404 permit to authorize the lake dredging. A thirty day comment period is now open.

The Public Notice was mailed to lakefront landowners (being adjacent to the project area), as well as those properties adjacent to the proposed Sediment Drying Facility and the proposed pipeline route.

The Public Notice can also be viewed at the following weblink:

<http://www.lrc.usace.army.mil/co-r/L10-396PN.pdf>

It should be noted that as published, the Public Notice incorrectly lists the "Location of the Proposed Action" as being the Sediment Drying Facility (SDF) that was first proposed for the NRB property on the east side of East Wonder Lake Road. That site is no longer under consideration.

However, all other information in the Public Notice correctly pertains to the new proposed SDF site south of Galt Airport.

The USACE website now contains the following correction:

Update: The Sediment Storage and Disposal Facility should have been identified as being located northwest of the West Bay of Wonder Lake and south of Galt Airport along Greenwood Road. The exhibits in the notice are correct.

U.S. Army Corps permit update

The U.S. Army Corps of Engineers Public Notice Comment Period for the Lake Restoration project has expired, and they have provided the MPOA with copies of written comments received from the public that required a “technical” clarification”, or that were needed to address “negative” comments”. Many “positive” comments supporting lake restoration were also received, but did not require MPOA responses.

The official MPOA responses to these comments have been prepared and submitted to the Army Corps of Engineers, and have been distributed to each MPOA Director and Officer. Additional copies will also be provided to each MPOA Subdivision President; each McHenry County Board member; each Village of Wonder Lake official; and to the individual commenters. PDF copies of the MPOA comment response documents can be viewed and or downloaded at the following links.

- Technical Clarification document (pdf)
- Comment Response document (pdf)

District 200 Response Document

11/21/2011— MPOA Response to Comments Received From WCUSD #200 under the Public Notice for LRC-2010-00396 – Wonder Lake Dredging Project. PDF

Lake Restoration Continues to move Forward

7/5/2012 — The U.S. Army Corps of Engineers has issued their permit for lake dredging. Engineering plans and permit applications have been submitted to the Illinois Environmental Protection Agency, and Illinois Department of Natural Resources - Office of Water Resources.

The MPOA has received bids, and approved a contract to stabilize O’Brien Shoals and Wickline Island this summer. In addition, supplemental rip-rap will be placed on the upstream face of the Wonder Lake dam, to prevent future erosion.

Restoration continues, soliciting bids for sediment facility

7/14/2013 — In anticipation of the pending issuance of the last required regulatory permit, the MPOA is moving forward on soliciting bids for the construction of the proposed Sediment Drying Facility (SDF).

The following bid notice was published in the Northwest Herald, and was also sent out to commercial bidding networks.

The SDF contract will be awarded upon receipt of the last permit, hopefully in time to allow SDF construction in the Fall of 2013, which could allow lake dredging (to be bid under a separate contract) to be implemented in 2014.

Bid Notice (PDF)

Lake Restoration of Wonder Lake is Underway

10/18/2013 — In July, 2013, a request for contractor's to submit bids for the MPOA Sediment Drying Facility (SDF) was sent out by the MPOA directly to qualified construction firms. The request was also published in the Northwest Herald, and was posted on commercial bid solicitation websites.

In August, 2013, two (2) bids for the construction of the Sediment Drying Facility (SDF) were received, with those bids then reviewed by the MPOA Lake Restoration Consultant and the MPOA attorneys.

The MPOA Lake Maintenance Commission reviewed the two SDF bids received, and based on input from the MPOA Consultant / Attorney, recommended that the MPOA Board vote to award the contract to the low bidder, Copenhaver Construction, Inc., for their base bid amount of 2,659,181. The proposed SDF construction contract had already been prepared, reviewed, and approved by the MPOA Consultant / Attorney.

On September 7, 2013, the MPOA Board of Directors held a Special Meeting to consider the Lake Maintenance Commission's recommendation. Following discussion, the MPOA Directors voted by a 37 YES and 26 NO margin to accept the Copenhaver Bid and to enter into a contract with them.

Voting YES: Hickory Falls 1 & 2, Lookout Point, Wildwood, Wonder Center, Deep Springs Woods, Shore Hills, Wooded Shores, St. Francis Heights, Sunrise Ridge, White Oaks Bay and Wonder Woods.

Voting NO: Hickory Falls III, Highland Shores, Indian Ridge, and Sunrise Ridge Estate subdivisions and the Mathews Un-subdivided Properties. (Deep Spring Woods Country Club and the McGuire Properties were not represented at the Special Meeting)

The final IEPA permit for the project to start was received on October 10, 2013 and construction of the SDF is scheduled to start in October 2013.

If the SDF can be completed this fall, the MPOA will then go out for bid on the dredging over the coming winter, to allow the dredging to occur in 2014.

Construction on Sediment Drying Facility

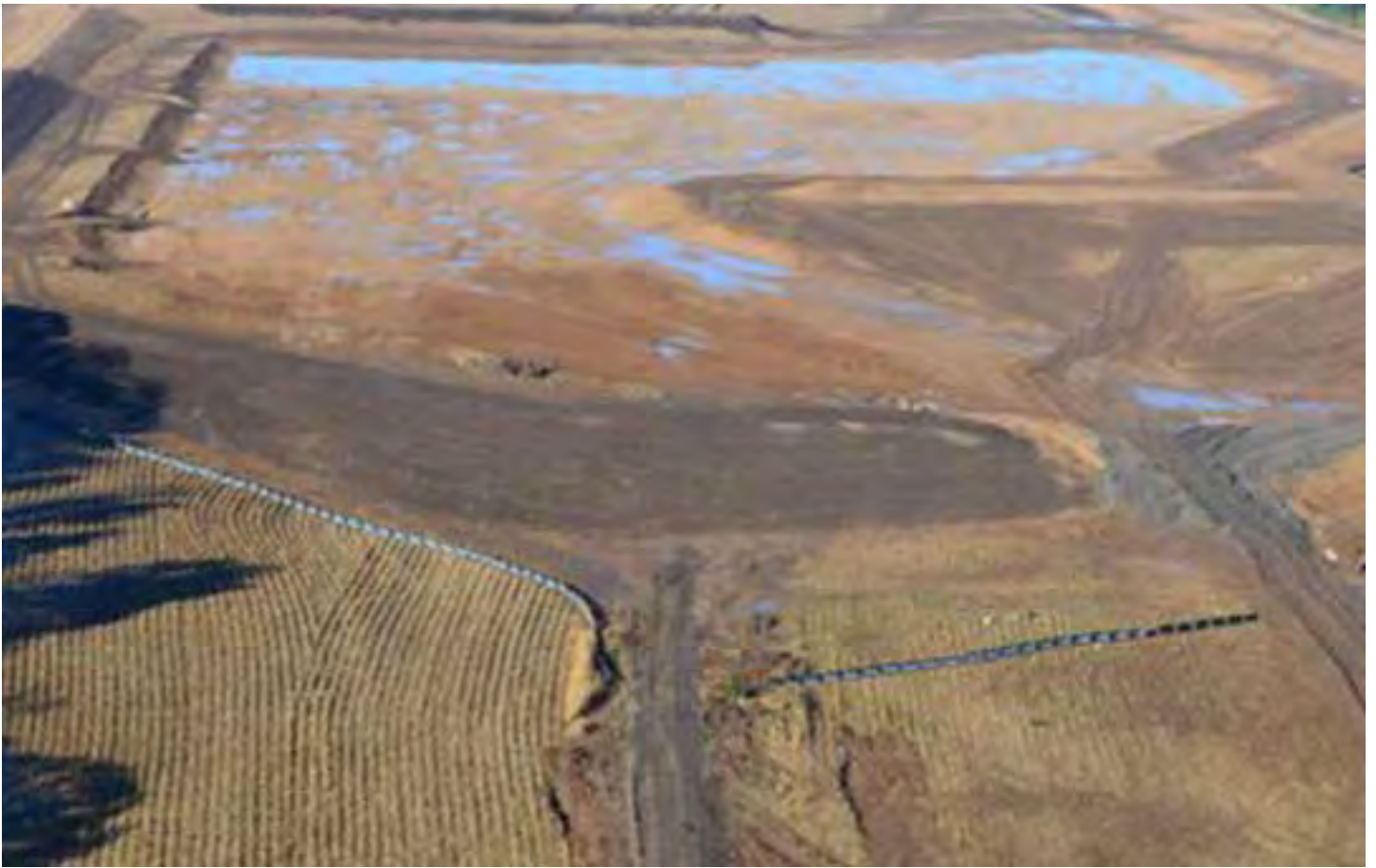
NOV 2013 — Aerial photographs documenting the progress of the Sediment Drying Facility (SDF) construction. Photos are by Bob Schell.

Looking west towards cell 2, towards cell 1



Looking west across the SDF site





Looking west across cell 1



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Sediment Drying Facility Update - April 2nd 2014

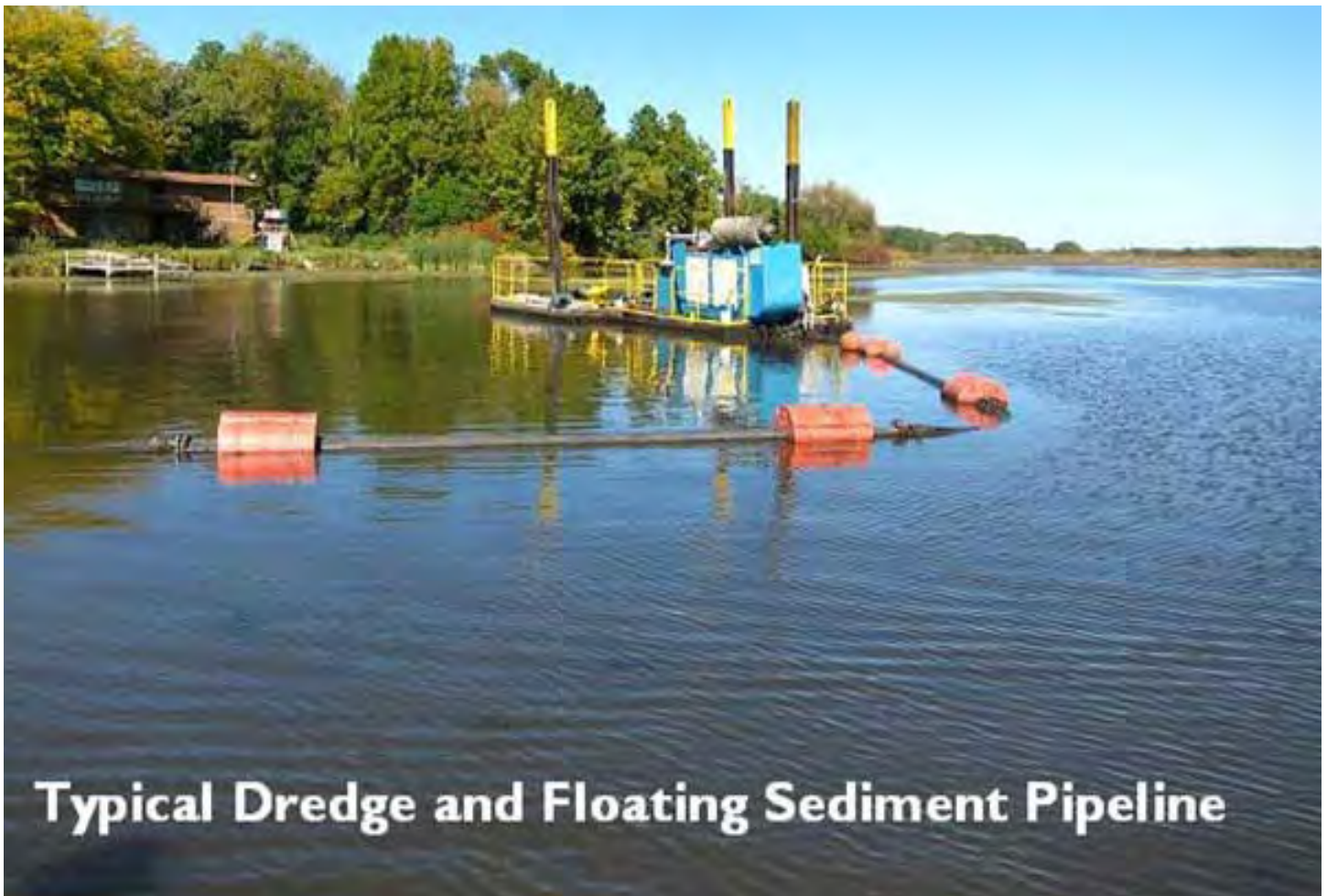
The Sediment Drying Facility is at 90% completion, with the final work resuming now that the weather is improving.

The MPOA is pleased to announce that it is working on the final contract details with the selected dredging contractor. Once all the contract paperwork is approved and in place, the MPOA will receive a dredging plan and schedule from the contractor, which will identify where the dredging activity will start, timing, temporary no-wake areas, etc.. We are anticipating that the dredging project will begin in the next month or so.

The dredging plan information will allow the MPOA to make periodic website updates to keep lakefront landowners informed on what, if any, temporary relocations of piers may be needed while the dredge is operating in their area.

The MPOA will also be posting information on the website advising all lake user's of changing lake conditions, related to dredging operations or other urgent situations. A Notice To Lake User's has been prepared to provide some preliminary information on the dredging, which can be viewed here.

All lake user's are also encouraged to sign up to receive "Important Lake Update" email notices from the MPOA on updates to the website. If you are not already on the email list, send an email to office@wlmpoa.org asking to be added to the lake notice list.







Aerial photographs documenting the progress of the Sediment Drying Facility (SDF) construction. Photos are by Bob Schell, and were taken 3/30/14.



Wonder Lake Dredging Moves Forward - April 25th, 2014

The MPOA Director's approved the dredging contract by a 54 to 10 margin. Work will start within the next month.

Check back frequently for project updates and info.

Wonder Lake Dredging Update - May 16th, 2014

1. The MPOA dredging contractor has indicated that they plan to start moving equipment and pipe into place over the next few weeks, with dredging starting in early-to-mid June, 2014.
2. The contractor has indicated that they plan to start dredging first along the south side of West Bay and the Nippersink Creek inlet, and spend most of the summer of 2014 finishing up West Bay.
3. In late summer / fall of 2014, they then plan to work on Wickline Island / O'Brien Shoals, before moving north to dredge the Lookout Point / White Oaks Bay coves.
4. They will then move down to the South Bay and get as far as they can this fall before the onset of winter. Any remaining dredging work in the South Bay would be carried over, if necessary, to the spring of 2015 after ice-out.
5. This schedule means that the only lakefront landowners who may need to temporarily relocate their piers during the 2014 boating season will be the those folks on south side of West Bay and the Nippersink Creek inlet. All other lakefront areas proposed for dredging will likely have already removed their piers for the year by the time the dredge reaches their area.

Check back regularly for additional updates.

Wonder Lake Dredging Update – June 20th, 2014

1. The MPOA dredging contractor:

- has all the dredge equipment on the lake;
- has all of the pipeline has been fused together and placed between the lake and the SDF;
- has the GPS system to track / document dredging installed;
- and is hoping to begin dredging by the middle of next week, subject to the arrival of a part.

2. As previously indicated:

the dredging contractor has indicated that they plan to start dredging first along the south side of West Bay and the Nippersink Creek inlet, and spend most of the summer of 2014 finishing up West Bay.

in late summer / fall of 2014, they then plan to work on Wickline Island / O'Brien Shoals, before moving north to dredge the Lookout Point / White Oaks Bay coves.

they will then move down to the South Bay and get as far as they can this fall before the onset of winter. Any remaining dredging work in the South Bay would be carried over, if necessary, to the spring of 2015 after ice-out.

3. This schedule means that the only lakefront landowners who may need to temporarily relocate their piers during the 2014 boating season will be the those folks on south side of West Bay and the Nippersink Creek inlet. All other lakefront areas proposed for dredging will likely have already removed their piers for the year by the time the dredge reaches their area.

4. Once in place for dredging, the dredging contractor will be placing markers and buoys along the pipeline path across West Bay. Anyone boating in West Bay or on the Nippersink Creek inlet are encouraged to use caution and to obey “no-wake” or “restricted areas” identified by the MPOA and/or the dredging contractor.

Check back regularly for additional updates.

Wonder Lake Dredging Update – June 24th, 2014

Questions have been received from lakefront landowners along the south shore of West Bay, and the Nippersink Creek Inlet, regarding how close the dredging will come to their respective shorelines, and what relocation of in-lake structures (piers, shore stations, etc.) may be needed. The exhibit shows the planned extent of dredging along these shoreline areas.



For those properties along the Nippersink Creek inlet where dredging is planned (4209 through 4212 W. Lake Shore Drive), the dredge will come no closer than ten (10) feet of the existing shoreline.

For the remaining properties extending eastward along the south shore of West Bay where dredging is planned (4210 through 3922 W. Lake Shore Drive), the dredge will come no closer than twenty (20) feet of the existing shoreline.

As a result, in each of these zones, any existing in-lake structures approaching or exceeding the respective 10' or 20' no-cut limit will need to be removed to allow

the dredging to occur. Failure to remove any in-lake structures from the proposed dredging areas will reduce the amount of dredging that will occur in those areas, and the contractor will not be liable for any damage that may occur.

It is understood that some piers near the Nippersink Creek inlet are too heavily silted in to be removed. The dredging contractor is proposing to first cut a navigation channel through this area to allow marina barges to then enter this channel and hopefully extricate the stuck piers before dredging resumes.

Anyone with a pier / shore station that cannot be removed should be in contact with their marina to coordinate.

The MPOA will advise landowners when dredging operations are completed in their respective areas, and it is safe to re-install in-lake structures. Check the MPOA website www.wlmpoa.org for updates. You can also register
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your email address with Kathy in the MPOA office and receive email updates on important issues dealing with our Lake. Send your email address to office@wlmppoa.org The MPOA will not use your email address for anything other than messages about Wonder Lake conditions.

Wonder Lake Dredging Update – June 25th, 2014

DREDGING IS UNDERWAY!!!



As of 1:30 p.m. today, the dredging of Wonder Lake has begun. The dredge is beginning to clear a navigation channel to the Nippersink Creek Inlet, to allow silted-in piers to be removed by marina barges.

Wonder Lake Sediment is now flowing into the SDF Site. (See video)



Lake users are strongly advised to avoid the West Bay while the dredge and pipeline are in place. Any watercraft traffic through that area should be at a “no-wake” speed, and should maintain at least a 100’ distance from the dredge and pipeline.

Check the MPOA website www.wlmppoa.org for updates. You can also register your email address at the MPOA office and receive email updates on important issues dealing with our Lake.

Send your email address to office@wlmppoa.org The MPOA will not use your email address for anything other than messages about Wonder Lake conditions.

Wonder Lake SDF - Sediment Inflow - June 25th, 2014

Watch on Youtube: <https://youtu.be/hMv9gOmmNFY?si=-JoVEiOdMn1RyDhV>

Wonder Lake - Dredging - July 17th, 2014

Watch on Youtube: <https://youtu.be/00rd1wQtxQo?si=Zcn4BkUnfcYnbZkH>

Lake Restoration Update – August 22nd, 2014

As the lake dredging progresses, a number of questions have been raised about the project.

As indicated earlier, the dredging contractor chose to begin work in the West Bay, primarily to keep out of the main body of the lake for the 2014 boating season. The dredging contractor has completed most of the dredging along the south shore of West Bay. The most accurate way for those landowners to determine when they can put their piers back in is to communicate with the marinas, as Tom and Scott are in regular contact with the dredge operator, and have the most up-to-date information.

Not unexpectedly, the dredging contractor has run into some challenging conditions, as West Bay is where the gravel and rocks delivered by Nippersink Creek first come to rest in the lake. Much of the material being dredged and pumped from this area includes sand, gravel, and rocks up to the size of a baseball. While screens prevent larger rocks from being dredged, the material that does pass through the dredge pump is definitely hard on the equipment.

The dredging contractor has also opened up a channel to the Nippersink Creek inlet, so that as they reposition the dredge to begin working on other parts of the West Bay, it will open up “no-wake” passage for to the Nippersink Creek folks for the rest of the boating season. As the dredging of the Nippersink inlet is the slowest and most challenging part of the overall dredging project, as well as being hardest on the equipment, the dredging contractor has indicated that they will complete the rest of the Nippersink Creek inlet work before they shut down for the winter.

The dredging contractor is set up to staff two (2) eight hour shifts per day; however, this does not mean the dredge is running continuously the entire time, as there are maintenance requirements; the need to re-position the dredge; and other factors.

It is in the best interest of the dredging contractor to work as fast and efficiently as possible, as they are not being paid on an hourly basis, but on a volume basis. The dredge has a very sophisticated GPS system incorporated on it, which helps track the exact path and extent of dredging operations. This information, combined with additional verification by a professional land surveyor of the actual water depths achieved in areas that have been dredged, help determine the volume of sediment actually dredged, and in turn, the amount of the MPOA payout due to the dredging contractor. All of the payout requests from the dredging contractor are then reviewed and approved by the MPOA dredging consultant.

So if you happen to witness the dredge temporarily inactive, rest assured that the dredging contractor has a strong financial interest in keeping the sediment moving towards the SDF site.

Another question that has arisen involves the depth to which the West Bay will be dredged. Over the years, a number of various dredging studies were developed, with a wide range of costs and approaches. It is understood that one of those studies may have suggested dredging a portion of the West Bay to a 35 foot depth, to allow it to serve as a sediment trap for future sediment inflows from Nippersink Creek. However, that approach, if pursued, would have been exceptionally expensive, and would have faced significant logistical and regulatory hurdles.

Feedback from the Wonder Lake community determined that if lake restoration was to be pursued, a “More Affordable” plan would need to be developed, which resulted in the current dredging project. Information provided to the Village of Wonder Lake and McHenry County in support of creation of the \$ 5.9 million Special Service

With the early onset of winter, the 2014 dredging season on Wonder Lake has come to an unexpectedly early end. The dredging contractor has spent the last few weeks preparing the dredging equipment for winter, and having it ready to go as soon as lake conditions allow in 2015.

Overall, the contractor has completed approximately two-thirds of the proposed dredging in the West Bay, with most of that work done simply to allow the dredge and sediment pipeline to move more easily through very shallow areas found there.

The MPOA will be working with the dredging contractor to develop a plan and schedule for minimizing impacts to lake users during the 2015 dredging season, and will release that information on the MPOA website prior to the resumption of dredging.

In the interim, winter lake users are advised and cautioned that the dredge pipeline will remain in place in West Bay over the coming winter. A diagram showing the approximate extent and location of any dredging apparatus left “in-lake” over the winter will be provided to those applying for winter decals from the MPOA, and will also be posted on the MPOA website.

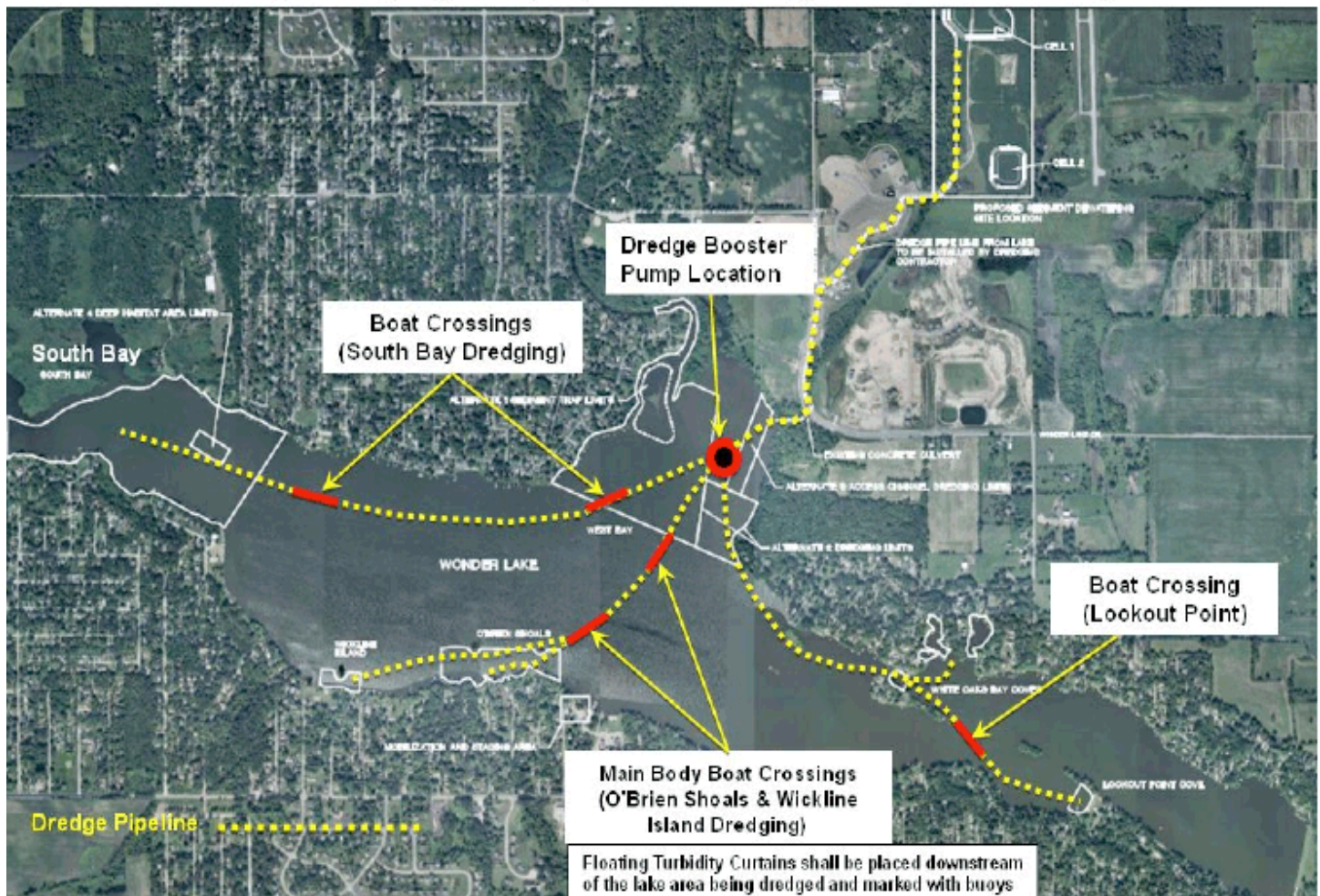
2015 Preliminary Dredging Plan – May Update 2015

Notice to Lake Users - 2015 Boating Season

1. As spring slowly arrives, the MPOA has been working with our consultant and dredging contractor to update the plan and schedule for the 2015 dredging season. The primary goals of this plan are to minimize lake-user conflicts in the 2015 dredging season, and to allow the contractor to work as efficiently as possible.
2. The dredging contractor remobilized and resumed dredging in mid-April, 2015, first deepening very shallow areas of West Bay needed to allow the dredge pipeline to float freely.
3. However, the recent spell of cold weather has prevented them from moving to White Oaks Bay and Lookout Point, as the dredge pipeline, with one inch thick sidewalls, has less flexibility when water temperatures are below 55 degrees. Any attempt to re-locate the pipeline while water temperatures are below 55 degrees increases the chances of cracks developing.
4. As a result, for the present, the dredging contractor will continue to work in the portions of West Bay under contract to be dredged until water temperatures rise.
5. They are then proposing to first work on Lookout Point and then White Oaks Bay Coves, tentatively completing that work by the second week of June.
6. The contractor would then move up the lake to work on O'Brien Shoals and Wickline Island, hopefully completing that work by mid-July.
7. The contractor will then move back into West Bay / Nippersink inlet, so that the main body of the lake will be “pipeline-free” for the remainder of the boating season.
8. Upon completing West Bay, they will then work on South Bay until the project is complete, hopefully by late Fall, 2015.

9. Marked “boat crossings” will be created by the contractor in each of these dredging phases, to allow boat traffic to safely cross the dredge pipeline.
10. In all areas proposed for dredging (with the exception of the Nippersink Creek inlet), the proposed dredging will come no closer than within twenty (20) feet of the shoreline. If your pier is shorter than 20 feet in length, you will likely NOT have to move your pier to allow dredging to occur. In the narrower portions of the Nippersink Creek inlet, the dredging will come no closer than ten (10) feet of the shoreline. Where possible, lakefront landowners / subdivisions in areas to be dredged should avoid installing their piers until after dredging in their area is completed, particularly if they are more than 20 feet long. Any piers extending into areas slated to be dredged will need to be removed before dredging starts, or the amount of dredging conducted in those areas will be reduced. Information on when piers would need to be temporarily removed in those areas will be provided to affected landowners as the dredging timeline is updated.
11. It is fully recognized that the sequence and timeline will likely shift as dredging resumes, based on equipment issues, flood events, and other unforeseen circumstances. As updates become available, information will be posted to the MPOA website. www.wlmpoa.org
12. No matter how the contractor proposes to schedule the work, there will be those who feel they are being inconvenienced. All we can do is ask for folks to look at the big picture (a cleaner, deeper lake), and be patient.

2015 Preliminary Dredging Plan, Pipeline Routing and Boat Crossing Locations



Note: This preliminary schedule / plan will likely change. Updated information will be posted at www.wlmpoa.org

Wonder Lake - 2015 Dredging Plan Update – May 1, 2015

1. Continue dredging in West Bay until cold lake water temperatures warm up enough to allow sufficient pipeline flexibility
2. Lookout Point (Dredge 641 CY) - approx. 1 week (~ May 15 to May 22)
3. White Oaks Bay Coves (Dredge 7,489 CY) - approx. 2 weeks (~ May 23 to June 7)
4. O'Brien Shoals (Dredge 26,838 CY) - approx. 4 weeks, (~ June 8 to July 8)
5. Wickline Island (Dredge 6,851 CY) – approx. 1 week (~July 9 to July 16)
6. West Bay (Dredge Remaining 55,842 CY⁺) – approx. 6 weeks (~ July 16 to September 1)
⁺ Minus sediment currently being removed from West Bay in April/May 2105
7. South Bay (Dredge 247,303 CY) – approx. 12 weeks (~ September 1 to December 1)

Notes: *The Preliminary Dredging Sequence and Timeline will likely be revised as the 2015 dredging season progresses. Updates and schedule revisions will be provided via MPOA office and www.wlmipoa.org website.*

The dredge pipeline and designated boat crossing locations will be clearly indicated with lighted buoys and reflective markers.

No-wake boating is required at all times within 100 feet of the dredge, dredge pipeline, pipeline crossings and other in-lake equipment.

Wonder Lake Dredging Preliminary Plan Update

As of May 29th, 2015

1. Re-position in-lake sediment pipeline to White Oaks Bay Cove / minor equipment repair – Week of June 1.
2. White Oaks Bay Coves (Dredge 7,489 CY) – June 8 to June 19.
3. Lookout Point (Dredge 641 CY) – June 22 to June 26.
4. O'Brien Shoals (Dredge 26,838 CY) – June 29 to July 24.
5. Wickline Island (Dredge 6,851 CY) – August 3 to August 7.
6. West Bay (Dredge Remaining 25,000 CY^{*}) – August 10 to August 28.

7. South Bay (Dredge 247,303 CY) – August 31 to December 1.

* Minus sediment volume just removed from West Bay in April/May 2015

Note: All dates are APPROXIMATE. The above Estimated Dredging Schedule and Timeline will be revised as the project progresses; Updates and Schedule Revisions will be provided via MPOA office and website.

The dredge pipeline and designated boat crossing locations will be clearly indicated with lighted buoys and reflective markers; no-wake boating is required at all times within close proximity of the dredging areas, dredge pipeline, floating turbidity curtain and other equipment.

2015 Preliminary Dredging Plan, Pipeline Routing and Boat Crossing Locations



Note: This preliminary schedule / plan will likely change. Updated information will be posted at www.wimboa.org

Dredging Preliminary Plan Update – June 2015

1. The dredging contractor is currently finishing up portions of West Bay before doing some equipment maintenance and moving up to White Oaks Bay next week. They are currently focusing on doing portions of the Nippersink Creek inlet to improve lake access for those landowners. This is also where the amount of rock and gravel being dredged is hardest on certain parts of the dredge pump equipment. As they have those replacement parts ready to install, they want to get as much use out of those parts to be replaced as possible. They are planning to replace those parts early next week before moving up to WOB, which they still hope to have completed by the 4th of July.

2. Any remaining unfinished areas of West Bay / Nippersink Creek inlet will be completed later in the summer.
3. The dredging contractor plans to temporarily move the dredge and pipeline back into West Bay for the 4th of July to facilitate holiday boating.
4. While it is impossible to specify an exact date and time when the dredging will be done at a particular location on the lake, the MPOA is working closely with the dredging contractor to try to minimize inconvenience to shoreline landowners and lake users to the extent possible. Lakefront landowners whose access to the lake may be temporarily blocked by the dredge / pipeline may wish to temporarily find other boat mooring locations beyond the immediate dredging work area.
5. No matter how the contractor proposes to schedule the work, there will be those who feel they are being unduly inconvenienced. All we can do is ask for folks to look at the big picture (a clearer, deeper lake), and be patient.

Updated Estimated Dredging Schedule

1. Minor equipment repair / Re-position in-lake sediment pipeline to White Oaks Bay Cove – Week of June 15.
2. White Oaks Bay Coves (Dredge 7,489 CY) – June 22 to July 3.
3. Lookout Point (Dredge 641 CY) – July 6 to July 9.

2015 Preliminary Dredging Plan, Pipeline Routing and Boat Crossing Locations



Note: This preliminary schedule / plan will likely change. Updated information will be posted at www.wlmpoa.org

4. O'Brien Shoals (Dredge 26,838 CY) – July 11 to August 1.
5. Wickline Island (Dredge 6,851 CY) – August 3 to August 10.
6. West Bay (Dredge Remaining 25,000 CY*) – August 10 to August 28.
7. South Bay (Dredge 247,303 CY) – August 31 to December 1.

* Minus sediment volume just removed from West Bay in Spring 2015

Note: All dates are APPROXIMATE. The above Estimated Dredging Schedule and Timeline will be revised as the project progresses; Updates and Schedule Revisions will be provided via MPOA office and website.

The dredge pipeline and designated boat crossing locations will be clearly indicated with lighted buoys and reflective markers; no-wake boating is required at all times within close proximity of the dredging areas, dredge pipeline, floating turbidity curtain and other equipment.

Wonder Lake Dredging Preliminary Plan Update – July 2015

Revised July 15th

1. Lake user's are strongly encouraged to stay away from the dredge equipment and pipeline at ALL times, even when the dredge is not in operation.
2. Any remaining unfinished areas of West Bay / Nippersink Creek inlet will be completed later in the summer.
3. While it is impossible to specify an exact date and time when the dredging will be done at a particular location on the lake, the MPOA is working closely with the dredging contractor to try to minimize inconvenience to shoreline landowners and lake users to the extent possible. Lakefront landowners whose access to the lake may be temporarily blocked by the dredge / pipeline may wish to temporarily find other boat mooring locations beyond the immediate dredging work area.
4. No matter how the contractor proposes to schedule the work, there will be those who feel they are being unduly inconvenienced. All we can do is ask for folks to look at the big picture (a clearer, deeper lake), and be patient.

Updated Estimated Dredging Schedule

1. Assemble additional dredge pipeline & move to White Oaks Bay (~ July 13 to July 20)
2. White Oaks Bay Coves (Dredge 7,489 CY) - approx. 2 weeks (~ July 20 to July 31)
3. Lookout Point (Dredge 641 CY) - approx. 1 week (~ August 3 to August 7)
4. O'Brien Shoals (Dredge 26,838 CY) - approx. 4 weeks, (~ August 10 to September 4)
5. Wickline Island (Dredge 6,851 CY) – approx. 2 weeks (~ September 7 to September 18)

6. West Bay (Dredge Remaining 18,000 CY) – approx. 3 weeks (~ September 21 to October 9)

7. South Bay (Dredge 247,303 CY) – approx. 12 weeks (~ October 12 to completion)

* Minus sediment volume just removed from West Bay in Spring 2015

Note: The above Estimated Dredging Schedule and Timeline may be revised as the project progresses; Updates and Schedule Revisions will be provided via MPOA office and website.

The dredge pipeline and designated boat crossing locations will be clearly indicated with lighted buoys and reflective markers; no-wake boating is required at all times within close proximity of the dredging areas, dredge pipeline, floating turbidity curtain and other equipment. If pipeline blocks lake access for any homeowners for more than a few days, a no-wake crossing location will be provided and marked with buoys.

2015 Preliminary Dredging Plan, Pipeline Routing and Boat Crossing Locations



Wonder Lake Dredging Preliminary Plan Update – August 10, 2015

1. The dredging contractor is currently working in White Oaks Bay, and will be there for at least the next few weeks, before moving to Lookout Point.

2. As the dredging of Lookout Point will require the dredge pipeline to extend across the main body of the lake, an update will be posted as the dredge prepares to move, so that lake users will be advised of the designated pipe-

line crossing points.

3. Once Lookout Point is completed, we will likely be approaching the Labor Day weekend, so another update will be provided at the beginning of September.

4. To access the White Oaks Bay coves, the dredge has added extra sections of dredge pipeline, which extend across much of Party Bay. As the dredge moves, these pipeline sections will also move back and forth across Party Bay, and will also cause the designated “crossing points” to shift as well. As such, lake users are encouraged to be extra cautious when operating in or near the White Oaks Bay Coves, and particularly in Party Cove.

5. All lake users (boats, kayaks, canoes, paddleboards, etc.) are required to stay at least 100 feet away from the dredge and pipeline. There have been numerous occasions of lake users boating right up to the dredge to talk to the dredge crew. These actions cause the dredge crew to have to suspend work until the 100 foot safety zone is clear. These events only serve to delay the dredging process, and create unsafe conditions.

6. While it is impossible to specify an exact date and time when the dredging will be done at a particular location on the lake, the MPOA is working closely with the dredging contractor to try to minimize inconvenience to shoreline landowners and lake users to the extent possible. Lakefront landowners whose access to the lake may be temporarily blocked by the dredge / pipeline may wish to temporarily find other boat mooring locations beyond the immediate dredging work area.

7. No matter how the contractor proposes to schedule the work, there will be those who feel they are being unduly inconvenienced. All we can do is ask for folks to look at the big picture (a clearer, deeper lake), and be patient.

Note: All dates are APPROXIMATE. The above Estimated Dredging Schedule and Timeline will be revised as the project progresses; Updates and Schedule Revisions will be provided via MPOA office and website.

The dredge pipeline and designated boat crossing locations will be clearly indicated with lighted buoys and reflective markers; no-wake boating is required at all times within close proximity of the dredging areas, dredge pipeline, floating turbidity curtain and other equipment.

2015 Preliminary Dredging Plan, Pipeline Routing and Boat Crossing Locations



Lake Dredging Update - October 7th, 2015

The MPOA dredging contractor has now completed the dredging of White Oaks Bay, and over the next 3 or 4 days will be re-positioning the dredge and pipeline to allow them to begin dredging near O'Brien Shoals.

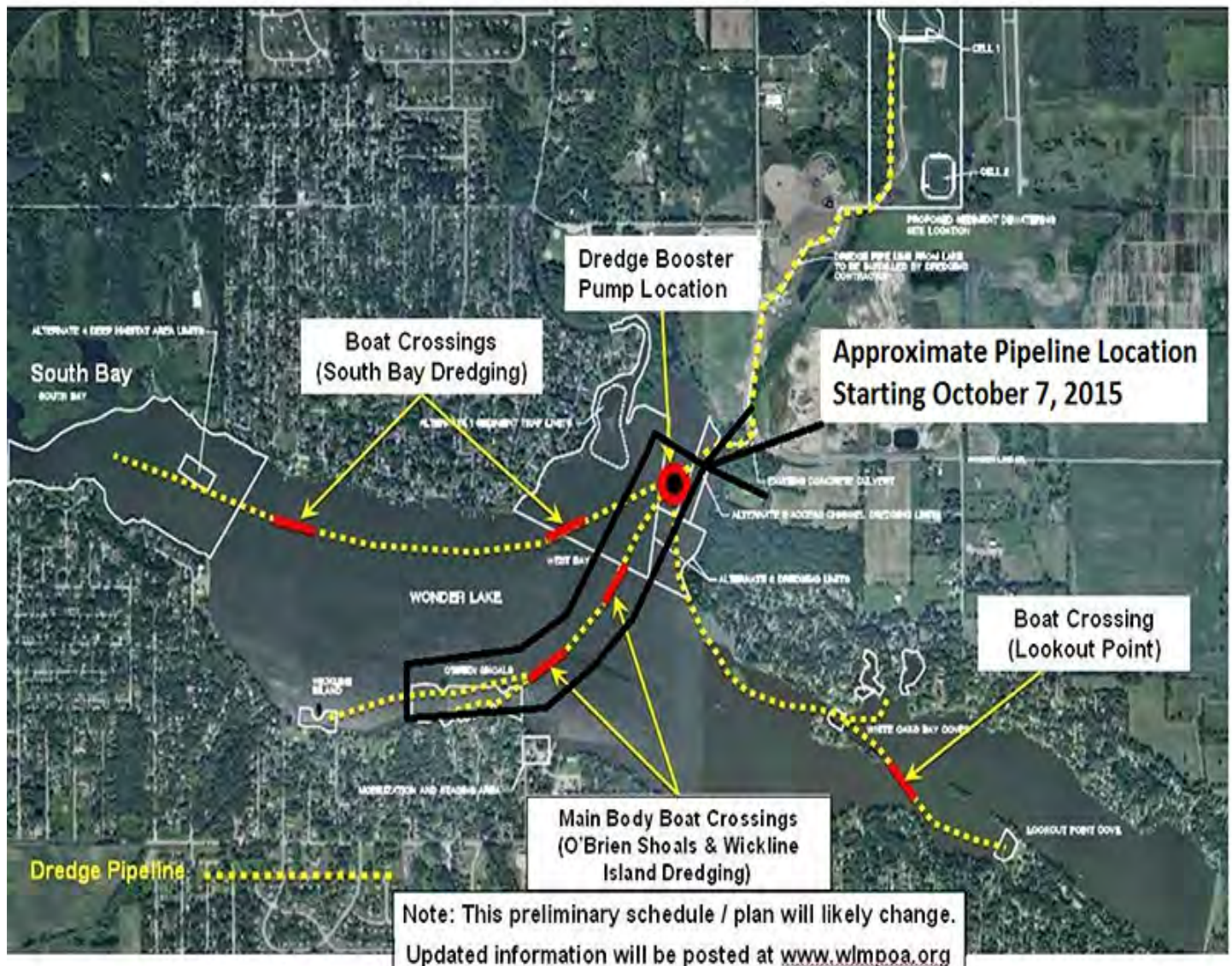
This means that the pipeline will soon extend across the middle of Wonder Lake, roughly between West Bay and Wonder Center Beach, as shown on the attached PDF exhibit.

While the contractor will be installing pipeline markers and pipeline crossings, all lake user's must exercise extreme caution when operating in the mid-section of the lake. As always, no-wake boating is required at all times within close proximity of the dredge, dredge pipeline, and other dredging related equipment.

The dredging contractor determined that with the pipeline and equipment currently on the lake, they would not be able to move from White Oaks Bay to Lookout Point, as was originally planned. As a result, the dredging of Lookout Point, which is estimated to take one week, is planned to occur early in the Spring of 2016.

All other areas of the lake slated for dredging under the contract will be dredged, including any remaining

2015 Preliminary Dredging Plan, Pipeline Routing and Boat Crossing Locations



sections of West Bay / Nippersink Creek inlet; Wickline Island; and South Bay. It is hoped to have any dredging near shoreline areas completed before the start of the 2016 boating season, to prevent any delays in piers being installed.

As the dredging contract payout is based solely on the verified volume of sediment removed, that verification of the volume of sediment removed to date has already begun with a land surveyor, which will be compared against the measurements being taken by the GPS system found on the dredge.

Lake Restoration – Dredging Update

The 2015 Wonder Lake dredging season went well, with the usual unexpected delays, hiccups, and other issues associated with any large-scale dredging project being implemented on a heavily used recreational lake. In addition, to nearly completing the area targeted to be dredged in West Bay (now >90% complete), the White Oaks Bay coves were fully completed this summer, before the dredge moved down to O'Brien Shoals area, which is now roughly one-third complete.

With the early snowfall, 2015 dredging operations came to a halt just before Thanksgiving. While the lake had not yet iced up, sub-freezing temperatures overnight can cause issues with the dredge and booster pumps. The dredging contractor will be removing the dredge from the lake for the upcoming winter to make repairs and modifications to be ready for the 2016 dredging season. They will also be bringing an additional booster pump and pipeline to allow them to reach Lookout Point and Wickline Island.

At this point, the intent is to have the dredging completed at O'Brien Shoals, Wickline Island, and Lookout Point by the start of the 2016 boating season, to minimize impacts on boating traffic in these areas, and to allow land-owners to get their piers installed after their area is dredged.

Overall, at this point, the Wonder Lake dredging project is roughly 40% complete. It is important to keep in mind that the dredging company has tackled the hardest areas first, where lakebed conditions and/or dredge access was most challenging. Of the overall volume under contract to be dredged, 52% of that volume is in the South Bay, which is largely comprised of soft sediment, which will improve productivity. The dredging contractor will also be completing the remaining area of West Bay, which primarily includes the Nippersink Creek inlet.

While the dredging is taking longer than originally anticipated, it is important to remember that the dredging contractor is not being paid on a time and materials basis, but is being paid on a "volume" basis, which will allow the dredging to be fully completed with the remaining available funds. As the dredging contract payout is based solely on the verified volume of sediment removed, that verification of the volume of sediment removed to date has already begun with a land surveyor, which will be compared against the measurements being taken by the GPS system found on the dredge.

Finally, no matter how the dredging contractor proposes to schedule the 2016 work, there will be those who feel they are being unduly inconvenienced. All we can do is ask for folks to look at the big picture (a clearer, deeper lake), and be patient. The MPOA will continue to post updates, as information becomes available, at www.wlm-poa.org









35— WL Dredging project





To continue reading the final chapters of this project, Please read the Lake Manager Reports for years 2014-2018, (attached) for updates concerning the dredging project.

MASTER PROPERTY OWNERS ASSOCIATION

Lake Manager's Reports 2014

Randy Stowe, lakemanager@gmail.com

Lake Manager's Report – January 8th, 2014

Randy Stowe, lakemanager@gmail.com

1. The SDF contractor began pouring the foundations for the two SDF water control structures before the weather deteriorated. SDF site work is on hold for the foreseeable future.
2. Soil borings to confirm that the constructed SDF liner is compliant with the IEPA permit requirements have been conducted. Review of the laboratory testing results of the collected soil samples is currently underway.
3. The SDF contractor is still estimating final project completion by April 1st, 2014 (weather permitting), which will allow a 2014 dredging start.
4. It is tentatively planned to advertise for dredging bids in February to allow dredging to begin in 2014.
5. Thanks to the efforts of Mary McCann (County Board Member from District 6), McHenry County is now beginning to contribute to the yearly maintenance cost of the U.S.G.S. stream gaging station at Thompson Road.
6. The Nippersink Watershed Association has secured roughly \$85,000 in re-allocated grant funding from IEPA to allow a stream corridor stabilization project to be implemented on Galt Creek within Phase 1 of the Meadows of West Bay subdivision. As a tributary to the West Bay of Wonder Lake, the proposed Best Management Practices will help reduce sediment and nutrient loading to the lake. While the MPOA has no direct involvement in this project, and no MPOA funds are involved, a portion of the value of the on-going MPOA lake restoration work will be used as the local cost-share requirement of the IEPA grant.
7. I have begun to receive inquiries from lakefront landowners about potentially applying for the next round of IEPA – Section 319 grants to install “lake-friendly” shoreline stabilization practices on their property. The chances for receiving a grant are greatly increased if there are multiple Wonder Lake applicant's, so MPOA Director's are encouraged to spread the word. Have interested parties contact the MPOA office.
8. All winter lake user's are again reminded of the presence of the rip-rap island protection around O'Brien Shoals and Wickline Island, and as always, are urged to use caution in these areas of the lake. Thanks to the Wonder Lake Sportsmans Club for installing warning markers.
9. The next Illinois Lake Management Association conference will be held is April 10-12, 2014, at the Timber Creek Inn and Suites, in Sandwich, Illinois.

Lake Manager's Report — February 12, 2014

Randy Stowe, lakemanager@gmail.com

1. The SDF contractor is still estimating final project completion by April 1st, 2014 (weather permitting), which will allow a 2014 dredging start.
2. Requests for dredging bids were sent to eight (8) firms known to have worked on similar sized projects. One of these firms, based on the East Coast, and who had previously expressed interest in our project, has indicated they will not be bidding. Other prospective bidders have submitted a number of questions regarding the project / bids, and two firms have conducted site visits to date.
3. I continue to receive inquiries from lakefront landowners about potentially applying for the next round of IEPA – Section 319 grants to install “lake-friendly” shoreline stabilization practices on their property. The chances for receiving a grant are greatly increased if there are multiple Wonder Lake applicants, so MPOA Director's are encouraged to spread the word. Have interested parties contact the MPOA office.
4. All winter lake users are again reminded of the presence of the rip-rap island protection around O'Brien Shoals and Wickline Island, and as always, are urged to use caution in these areas of the lake. Snowmobiler's are also reminded that the Wonder Lake Dam is strictly off-limits.
5. The next Illinois Lake Management Association conference will be held is April 10-12, 2014, at the Timber Creek Inn and Suites, in Sandwich, Illinois.

Lake Manager's Report – March - April, 2014

Randy Stowe, lakemanager@gmail.com

1. The SDF contractor is estimating final project completion by around May 1st, 2014 (weather permitting), which will allow a 2014 dredging start. Recent aerial photos of the SDF site, taken by Bob Schell, are posted on the MPOA website.
2. Requests for dredging bids were sent to eight (8) firms known to have worked on similar sized projects. Five firms submitted bids. Discussions are underway with the apparent low bidder to negotiate a final contract, which when completed will be reviewed by the Lake Maintenance Commission before being presented to the MPOA Director's for a vote.
3. As dredging gets underway, the MPOA will be posting information on the MPOA website advising all lake user's of changing lake conditions, related to dredging operations or other urgent situations. A Notice To Lake User's has also been prepared and posted to provide some preliminary information on the dredging.
4. All lake user's are also encouraged to sign up to receive "Important Lake Update" email notices from the MPOA on updates to the website. If you are not already on the email list, send an email to office@wlmmpoa.org asking to be added to the lake notice list.
5. The Illinois EPA has again awarded a Streambank Cleanup And Lakeshore Enhancement (SCALE) grant to the MPOA, which will allow the Wonder Lake Sportsman's Club to receive up to \$4,000 in reimbursement from the IEPA for eligible cleanup / disposal related expenses incurred in 2014. The 2014 cleanup is proposed for a Saturday in mid-to-late April, and will be determined by the Sportsman's Club. Volunteers are always welcome to help the Sportsman's Club in this valuable effort in managing our lake.
6. The McHenry County Department of Health (MCDH) will be making a presentation at the May 7th, 2014 MPOA Director's meeting on swimming beaches, and the associated responsibilities of the beach operator for swimming beaches. Each MPOA subdivision operating a swimming beach should have their beach commissioner attend this presentation, which will be conducted at the beginning of the MPOA meeting at 7:00 p.m.
7. The MPOA is again contracting with the MCDH to collect and analyze water samples at 9 stream locations around Wonder Lake for the summer of 2014, at the same time they collect water samples at the various swimming beaches around the lake.
8. I continue to receive inquiries from lakefront landowners about potentially applying for the next round of IEPA – Section 319 grants in July 2014 to install "lake-friendly" shoreline stabilization practices on their property in 2015, if a grant is awarded. The chances for receiving a 319 grant are greatly increased if there are multiple Wonder Lake applicants, so MPOA Director's are encouraged to spread the word. Have interested parties contact the MPOA office.
9. I will be attending the Illinois Lake Management Association conference this Thursday-Saturday in Sandwich, Illinois.

Lake Manager's Report – May, 2014

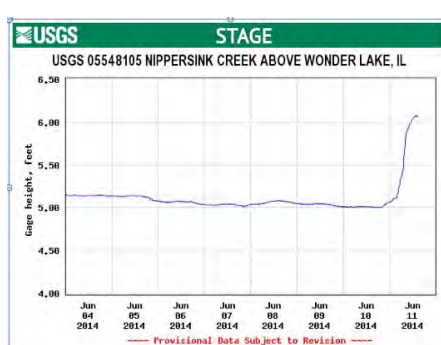
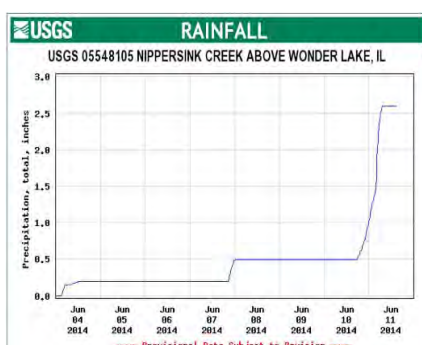
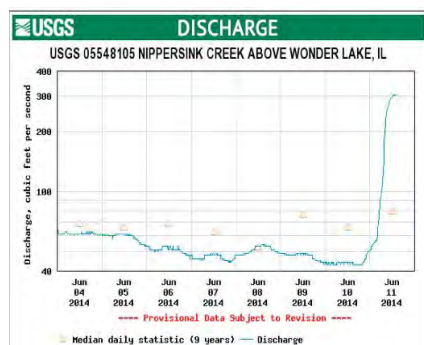
Randy Stowe, lakemanager@gmail.com

1. A site walk-through of the SDF site was conducted on May 14, including the HDR project engineer; the MPOA dredging consultant; and the SDF contractor. The SDF is coming along well, with the slopes greening up, and the perimeter fencing work underway. A punchlist is being developed that will identify items the SDF contractor still needs to address to fulfill their contract requirements.
2. A pre-construction meeting with the dredging contractor was also held on May 14th. Peter Berinni, the MPOA dredging consultant, went through a list of the various logistical details involved with the mobilization of the dredging equipment and other contractual requirements.
3. The dredging contractor has indicated that they plan to start moving equipment and pipe into place over the next few weeks, with dredging starting in early-to-mid June, 2014.
4. The contractor has indicated that they plan to start dredging first along the south side of West Bay and the Nippersink Creek inlet, and spend most of the summer of 2014 finishing up West Bay.
5. In fall of 2014, they then plan to work on Wickline Island / O'Brien Shoals, before moving north to dredge the Lookout Point / White Oaks Bay coves.
6. They will then move down to the South Bay and get as far as they can this fall before the onset of winter. Any remaining dredging work in the South Bay would be carried over, if necessary, to the spring of 2015 after ice-out.
7. This schedule means that the only lakefront landowners who may need to temporarily relocate their piers during the 2014 boating season will be the those folks on south side of West Bay and the Nippersink Creek inlet. All other lakefront areas proposed for dredging will likely have already removed their piers for the year by the time the dredge reaches their area.
8. As dredging gets underway, the MPOA will be posting information on the MPOA website advising all lake user's of changing lake conditions, related to dredging operations or other urgent situations. A Notice To Lake User's has also been prepared and posted to provide some preliminary information on the dredging.
9. All lake user's are also encouraged to sign up to receive "Important Lake Update" email notices from the MPOA on updates to the website. If you are not already on the email list, send an email to office@wlmposa.org asking to be added to the lake notice list.
10. All lakefront landowners are reminded that any construction work along their shoreline frontage will likely need to acquire approved permits from the U.S. Army Corps of Engineers and the Village of Wonder Lake.
11. All lake user's are also reminded that they need to have a 2014 MPOA boat decal permanently affixed to their watercraft, or they will be ticketed by the Marine Patrol.
12. I continue to receive inquiries from lakefront landowners about potentially applying for the next round of IEPA – Section 319 grants in July 2014 to install "lake-friendly" shoreline stabilization practices on their property in 2015, if a grant is awarded. The chances for receiving a 319 grant are greatly increased if there are multiple Wonder Lake applicants, so MPOA Director's are encouraged to spread the word. Have interested parties contact the MPOA office.

Lake Manager's Report – June, 2014

Randy Stowe, lakemanager@gmail.com

1. The SDF contractor is working on completing the “punch-list” items resulting from the May 14th, 2014 walk-through of the SDF site, which included the HDR project engineer; the MPOA dredging consultant; and the SDF contractor. The SDF contractor is aware that the SDF perimeter safety fencing is their short-term priority, and needs to be fully in place before the dredging can commence. Other SDF punch-list items can continue after dredging has commenced.
2. The dredging contractor has largely completed the assembling (fusing) of the sediment pipeline leading from the lake to the SDF site. Both the floating booster pump and dredge are on the lake; they are currently working on installing / calibrating the GPS system that will guide / document the actual dredging operations. They are hoping to begin dredging within the next week.
3. As indicated last month, the contractor has indicated that they plan to start dredging first along the south side of West Bay and the Nippersink Creek inlet, and spend most of the summer of 2014 finishing up West Bay. In fall of 2014, they then plan to work on Wickline Island / O'Brien Shoals, before moving north to dredge the Lookout Point / White Oaks Bay coves. They will then move down to the South Bay and get as far as they can this fall before the onset of winter. Any remaining dredging work in the South Bay would be carried over, if necessary, to the spring of 2015 after ice-out. This schedule means that the only lakefront landowners who may need to temporarily relocate their piers during the 2014 boating season will be the those folks on south side of West Bay and the Nippersink Creek inlet. All other lakefront areas proposed for dredging will likely have already removed their piers for the year by the time the dredge reaches their area.
4. As indicated last month, once dredging gets underway, the MPOA will be posting information on the MPOA website advising all lake user's of changing lake conditions, related to dredging operations or other urgent situations. A Notice To Lake User's has also been prepared and posted to provide some preliminary information on the dredging. All lake user's are also encouraged to sign up to receive “Important Lake Update” email notices from the MPOA on updates to the website. If you are not already on the email list, send an email to office@wlm-poa.org asking to be added to the lake notice list.
5. The USGS gage at Thompson Road (which can be accessed through a link on the MPOA website) indicates that roughly two (2) inches of rain fell last night. As shown on the opposite side, this rainfall raised the flow rate (discharge) of Nippersink Creek from roughly 40 cubic feet per second (cfs) to almost 300 cfs, and raised the height (stage) of the creek one (1) foot. Lake user's are reminded that these large rainfall events can wash woody debris into the lake, and can also result in swimming beach closures. Appropriate caution should be exercised after large rain events.
6. To date in 2014, there have not been any posted swimming beach closures on Wonder Lake, however, anyone using beaches can access the latest swimming beach status at: <https://www.co.mchenry.il.us/county-government/departments-a-i/health-de...> or at the link on the MPOA website.



Lake Manager's Report – July, 2014

Randy Stowe, lakemanager@gmail.com

1. The SDF contractor has completed all of the remaining punch-list items, barring some final site clean-up, and I am working on closing out their contract over the next month or so.
2. Dredging officially started at 1:30 pm on June 25th.
3. The dredging contractor worked well with the 4th of July committee in coordinating access to the West Bay island for the fireworks program, and maintaining lake access for landowners along the Nippersink Creek inlet and south shore of West Bay. However, lake users are strongly advised to avoid the West Bay while the dredge and pipeline are in place. Any watercraft traffic through that area should be at a “no-wake” speed, and should maintain at least a 100’ distance from the dredge and pipeline.
4. As many people noted, Wonder Lake experienced a fish-kill in mid-June that specifically targeted breeder stock Carp. According to the IL Department of Natural Resources - Fisheries Division staff, this naturally occurring condition was most likely caused by the extreme winter; fluctuating water temperatures during carp spawning activities; and the onset of a bacterial infection that negatively impacts on the carp population when this species is in a stressed state. This bacteria is ever-present in lakes and does not impact on other species or humans. On June 20th, I met with a representative of the McHenry County Department of Health (MCDH) to discuss disposal options that could be utilized by lakefront landowners. The MCDH information was then posted to the MPOA website.
5. Sioux Hasten from Wonderwave has done a great job of updating the MPOA website www.wlmpoa.org to a format that will now allow it to be better accessed by a variety of smart-phones, tablets, etc. While the MPOA will continue to periodically send out newsletters in the mail, the MPOA webpage is the quickest way to get information out to its members.
6. It should be noted that the entire Sediment Drying Facility (SDF) property is posted “No Trespassing”, and that the Wonder Lake Police Department and McHenry County Sheriff have been notified of this condition. However, it is recognized that there is interest in the overall dredging process, so I will be working to organize an “open-house” at the SDF site for MPOA Directors and Subdivision President’s for some time in August. Due to liability issues, this event will not be open to the general public, but we are working on providing photos and videos on the MPOA website to keep all the MPOA members up to date.
7. Now that dredging is underway, my attention can now begin to shift to pursuing a resale market of the dried sediment, in the hope of funding future dredging phases. A number of leads are being generated, indicating that there may be strong interest in our dried sediment in the topsoil industry.

Lake Manager's Report – August, 2014

The dredging continues. As expected, while working on the Nippersink Creek inlet, the contractor is encountering a large volume of rock, as this is the first material that settles out and accumulates after being washed into the lake by the Nippersink. While the dredge can pass rocks up to “baseball” size, some odd shaped rocks got past the screen and bent a part on the booster pump, causing about a one-week delay while a replacement part was obtained and installed.

The contractor has completed most of the dredging along the south shore of West Bay. The most accurate way for those landowners to determine when they can put their piers back in is to communicate with the marinas, as Tom and Scott are in regular contact with the dredge operator, and have the most up-to-date information.

The dredging contractor has also opened up a channel to the Nippersink Creek inlet, so that once they reposition the dredge to begin working on other parts of the West Bay, it will open up passage for to the Nippersink Creek folks for the rest of the boating season.

As the dredging of the Nippersink inlet is the slowest and most challenging part of the overall dredging project, as well as being hardest on the equipment, the dredging contractor will complete the rest of the Nippersink Creek inlet work before they shut down for the winter.

The MPOA realizes that the dredging operations are causing some short-term inconveniences for lake users in the West Bay, and thank them for their on-going cooperation. Again, lake users are strongly advised to avoid the West Bay while the dredge and pipeline are in place. Any watercraft traffic through that area should be at a “no-wake” speed, and should maintain at least a 100’ distance from the dredge and pipeline.

Based upon input from the community, it is now planned to open the proposed “open house” at the Sediment Drying facility to MPOA members and adjoining neighbors. I am looking at a tentative date in mid-to-late September on a Saturday morning.

On August 8th, 2014, a number of MPOA representatives attended a tour of the Fox Waterway Agency dredging and soil resale operation. The FWA handles the processing and sale of their dried sediment in-house, using agency staff and equipment. Last year the FWA sold approximately 17,000 cubic yards of dried sediment, by semi-truck loads.

Another round of Section 319 grant applications were submitted to the IEPA by the Nippersink Watershed Association. If selected for funding, a number of shoreline stabilization practices will be installed on Wonder Lake and on a portion of one of the smaller Wonder Lake stream tributaries (Troy Creek), as well as on an upstream segment of Nippersink Creek near Route 47. All of these projects will continue to help preserve and enhance the water quality of Wonder Lake, at no cost to the MPOA.

Lake Manager's Report – September, 2014

Randy Stowe, lakemanager@gmail.com

1. The dredging continues. As expected, while working on the Nippersink Creek inlet, the contractor was encountering a large volume of rock, as this is the first material that settles out and accumulates after being washed into the lake by the Nippersink. While the dredge can pass rocks up to “baseball” size, some odd shaped rocks got past the screen and bent a part on the booster pump, causing some delays while replacement parts were obtained and installed. The contractor has also installed an additional screen to further block rocks from entering the dredge pipe.
2. The dredging contractor has also opened up a channel to the Nippersink Creek inlet, so that once they reposition the dredge to begin working on other parts of the West Bay, it will open up passage for to the Nippersink Creek folks for the rest of the boating season.
3. As the dredging of the Nippersink inlet is the slowest and most challenging part of the overall dredging project, as well as being hardest on the equipment, the dredging contractor will complete the rest of the Nippersink Creek inlet work before they shut down for the winter.
4. The MPOA realizes that the dredging operations are causing some short-term inconveniences for lake users in the West Bay, and thank them for their on-going cooperation. Again, lake users are strongly advised to avoid the West Bay while the dredge and pipeline are in place. Any watercraft traffic through that area should be at a “no-wake” speed, and should maintain at least a 100’ distance from the dredge and pipeline.
5. There will be an “Open House” at the Wonder Lake Sediment Drying Facility (SDF) site on Greenwood Road, on Saturday, October 11th, 2014 from 9 am until noon.
6. With folks looking at taking out their piers for the winter, subdivision and lakefront landowners are again reminded that any contractor doing work on the lake must first have a current Certificate of Insurance on file in the MPOA office, naming the MPOA as an additional insured.
7. The State of Illinois has enacted new regulations that affect boating activities, as detailed below.
New Laws will Improve Safety and Education in Illinois' Waterways

FOR IMMEDIATE RELEASE: July 5, 2014 - Governor Pat Quinn today signed legislation to help improve safety on Illinois' waterways. The three new laws expand boating safety education, improve safety and awareness of water skiers and tubers and increase penalties for those who operate watercraft under the influence. Today's bill signings, which took place at Chicago's 31st Street Harbor, are part of Governor Quinn's agenda to make outdoor recreation safe and enjoyable for everyone.

“Over this Fourth of July weekend, it's important that all residents stay safe while celebrating, especially out on Illinois' waterways,” Governor Quinn said. “While boating is a great way to enjoy the outdoors, everyone has to take precautions and follow the rules to keep drivers and passengers out of harm's way. These new laws will help make Illinois' lakes and rivers safer and more enjoyable for all.”

State Senator Julie Morrison (D-Deerfield) and State Representative Kelly Burke (D-Evergreen Park) sponsored all three pieces of legislation. All three news laws are effective Jan. 1, 2015.

Senate Bill 3434 allows for the seizure of a watercraft used in the commission of certain offenses related to operating under the influence. The new rules bring penalties for boating under the influence more in line with those for operating a motor vehicle while impaired by drugs or alcohol.

“When people continue to drink and drive after they’ve been convicted of crimes relating to DUIs, sheriffs can seize their cars,” Senator Morrison said. “Boats are every bit as dangerous as cars, and boat operators should be held to the same standard as drivers.”

Senate Bill 3433 requires all persons born after Jan. 1, 1998 to take and pass a boating safety course validated by the Illinois Department of Natural Resources and hold a valid boating safety certificate before they can operate a motorboat with an engine over 10 horsepower.

“I have learned of many tragic losses of life due to boating accidents which could have been avoided with better education for our boaters,” Representative Burke said. “Boating is a great recreational activity which I hope more people will participate in, but there are risks to everyone involved, novice and experts alike. This new law will ensure all boaters have as much experience and education as possible when enjoying themselves on our state’s waterways.”

Governor Quinn also signed Senate Bill 2731, which mandates that the operator of any watercraft that is towing a person, such as a water skier or tuber, must display a bright orange flag measuring not less than 12 inches per side. The flag must be displayed from the time the person to be towed leaves the boat until that person returns to the boat at the conclusion of the activity.

So far in 2014, there have been 16 reported boating fatalities on Illinois waterways. Increased boating safety education and responsible boating practices may have prevented many of these fatalities.

Governor Quinn has long been a supporter of the safe enjoyment of the Illinois outdoors. Last year he signed legislation strengthening the state’s Boat Registration and Safety Act to increase boating safety. Further, he signed legislation cracking down on those who boat while under the influence of alcohol by requiring a chemical test for drugs or alcohol where an injury is involved and imposing stiffer penalties.

Lake Manager's Report – October 2014

Randy Stowe, lakemanager@gmail.com

The dredging continues. As the dredging of the Nippersink inlet is the slowest and most challenging part of the overall dredging project, as well as being hardest on the equipment, the dredging contractor is still indicating that they hope to complete the rest of the Nippersink Creek inlet work before they shut down for the winter.

There is no set “schedule” for the dredging; at this time of year the weather will be the biggest factor in determining how far they will get this year, and how soon they can resume work in the spring. As the Dredging Contractor is being paid on a “volume” basis, it is in their best interest to be as productive as possible.

The Dredging Contractor has indicated that there were some lake users who were apparently competing for the local Darwin awards, by boating right up to the dredge or by kayaking over the cutter-head. Once again, lake users are strongly advised to avoid the West Bay while the dredge and pipeline are in place. Any watercraft traffic through that area should be at a “no-wake” speed, and should maintain at least a 100’ distance from the dredge and pipeline.

There will be an “Open House” at the Wonder Lake Sediment Drying Facility (SDF) site on Greenwood Road, on Saturday, October 11th, 2014 from 9 am until noon. Thanks to those of you who have volunteered to help out, but we can still use more volunteers.

The annual dam inspection of the Wonder Lake Dam is scheduled for this Friday. In addition, as part of the regulatory permit requirements, the SDF earthen embankment will also be subject to a dam inspection. Both inspections will result in reports generated by the P.E. doing the inspection, who then forwards them to the Illinois Department of Natural Resources – Office of Water Resources.

Additional warning signs are being installed near the Wonder Lake Dam. Two “Danger – Dam – Keep Away” signs and three “Restricted Area – Danger” signs will be posted at the spillway, and six “No Trespassing – Violators Will Be Prosecuted” signs will be posted on the chain link fence below the dam.

With the approaching Fall season comes yard work and leaf raking. The Wonder Lake community is investing more than \$6 million in Lake Restoration. If yard waste ends up in the lake, the result will be additional accumulations of organic material and nutrients; both which degrade water clarity. Whether you do your own yard work or hire landscape services, please be aware that raking yard waste and leaf litter into the lake is not an acceptable practice. Similarly, those folks who have property which contains a tributary stream to Wonder Lake should also avoid raking yard waste and leaf litter into their stream, as it will eventually end up in the lake.

The application period for the Lake Restoration SSA# 9 Financial Assistance Program ends on October 10, 2014. Rebate Applications Are By Appointment Only. Contact Donna Schaeffer, McHenry Township Office, 37045 N. Richmond Rd., Johnsburg (815) 385-5605

Lake Manager's Report – November 2014

Randy Stowe, lakemanager@gmail.com

1. Dredging for the 2014 construction season ended on November 11, 2014. The early on-set of sub-freezing weather was beginning to impact mechanical parts on the dredge and booster pump, resulting in the need to shut down operations. They will be spending next week doing a partial demobilization of the equipment, all of which will remain on-site over the winter, so they can resume work as soon as weather / lake conditions allow in Spring 2015.
2. While the dredge will be moved onto shore for the winter, the booster pump and dredge pipeline will remain in-lake in West Bay over the winter. While any portions of the pipeline that will remain above the water level will be flagged by the contractor, winter lake users are strongly advised to avoid these areas in West Bay.
3. Overall the dredge made good progress this year, considering the shallow water depths and rocky material they were encountering in West Bay. While their movements may have at times seemed somewhat erratic, much of the work done was simply to create sufficient depth to allow the dredge to operate, and for the dredge pipeline to be moved without dragging it across the lake bottom.
4. The dredging operations / volumes are being documented by GPS equipment on the dredge, as well as by land surveyors, to ensure that all of the areas slated for dredging under the current contract will be satisfactorily completed.
5. It is recognized that the dredging next year will likely take much of the 2015 construction season. The MPOA will be working with the dredging contractor to develop a plan for 2015 dredging operations, so that inconveniences to lake users are kept to a minimum.
6. The annual dam inspection of the Wonder Lake Dam and the SDF site was successfully completed on October 10, 2014. In addition to the MPOA Professional Engineer (P.E.), two P.E.'s from the Illinois Department of Natural Resources – Office of Water Resources participated.
7. The Open House at the Wonder Lake Sediment Drying Facility (SDF) site on October 11, 2014 had a turnout of over 100 visitors, including both MPOA members and neighbors of the SDF. Thanks to Dick Hilton, Dennis Gallo, Kelly Nelson, Kathy Blum, Mark Nichols, Bob Schell, and others for volunteering their time.
8. The Illinois Lake Management Association annual conference will be held February 19 - 21, 2015 at Northern Illinois University in DeKalb. MPOA Directors and Members are strongly encouraged to attend, as a wide variety of lake topics are covered. Information can be found at www.ilm-lakes.org.

Note: Elevated reflective drive-way type markers are attached along the pipeline at approx. 200' spacing; and the Barge has reflective markers around perimeter along with reflective tape on sides.



Lake Manager's Report - December 2014

Randy Stowe, lakemanager@gmail.com

1. The dredging contractor has completed their winter shut down.
2. Winter lake users are cautioned that the sediment pipeline used in the dredging project will remain in place in teh West Bay over the winter. While much of the pipeline will be submerged below or barely protrude above the ice surface, the dredging contractor has marked the pipeline alignment.
3. The dredging contractor has provided an exhibit (below) showing the approximate location of the equipment left in West Bay for the winter.
4. Lake users are also cautioned that the dredging that has been conducted to date in the West Bay, creating deeper water depths, may also affect how ice forms in those areas.
5. All of the groundwater and surface water quality sampling events mandated by our IEPA permit conducted to date have documented that all the required standards have been easily met.
6. The Illinois Lake Management Association annual conference will be held February 19-21, 2015 at Northern Illinois University in DeKalb. MPOA Directors and Members are strongly encouraged to attend, as a wide variety of lake topics are covered. Information can be found at www.ilma-lakes.org

MASTER PROPERTY OWNERS ASSOCIATION

Lake Manager's Reports 2015

Randy Stowe, lakemanager@gmail.com

Lake Manager's Report – January 2015

Randy Stowe, lakemanager@gmail.com

Agenda Item V.E. - January 8th, 2015

1. The SDF was dewatered for the winter. This will help consolidate the sediment already present in Cell # 1; allow the MPOA to make any necessary inspections; and will allow for any minor maintenance that may be required in the spring, before dredging resumes.
2. An inspection of the SDF site was conducted by the IEPA and McHenry-Lake Soil & Water Conservation District on November 24th, 2014 to determine compliance with the IEPA NPDES permit issued to the MPOA. The resulting IEPA report concluded: "The facility appeared to be in compliance with their operating permit and no permit violations were noted."
3. All winter lake user's are again reminded of the presence of the rip-rap island protection around O'Brien Shoals and Wickline Island, as well as the dredging equipment and pipeline in the West Bay, and as always, are urged to use caution in these areas of the lake.
4. The Illinois Lake Management Association annual conference will be held February 19 - 21, 2015 at Northern Illinois University in DeKalb. MPOA Directors and Members are strongly encouraged to attend, as a wide variety of lake topics are covered. Information can be found at www.ilma-lakes.org.

Lake Manager's Report – February 2015

1. In cooperation with the Wonder Lake Sportsmans Club (WLSC), the MPOA again applied for a SCALE grant from IEPA to offset the costs of the annual spring lake clean-up conducted by the WLSC. This grant was approved, which will provide \$ 500 in funding to WLSC. As always, volunteer's are always welcome for the lake clean-up. Details on the 2015 clean-up will be provided when a date is determined.

2. The Lake Maintenance Commission met on February 9th to discuss the resumption of dredging in Spring 2015. Topics included having the dredging contractor prepare a plan / schedule on how they propose to conduct dredging to minimize lake user conflicts in the 2015 dredging season; and to identify miscellaneous maintenance activities needed to resume dredging.



3. One of the largest threats to inland lakes is the transport and introduction of invasive species from boat trailers. The MPOA is planning on ordering informational signs (>>) for installation at all subdivision boat ramps this spring.

4. All winter lake user's are again reminded of the presence of the rip-rap island protection around O'Brien Shoals and Wickline Island, as well as the dredging equipment and pipeline in the West Bay, and as always, are urged to use caution in these areas of the lake.

5. The Illinois Lake Management Association annual conference will be held February 19 - 21, 2015 at Northern Illinois University in DeKalb. MPOA Directors and Members are strongly encouraged to attend, as a wide variety of lake topics are covered. Information can be found at www.ilma-lakes.org.

6. The 3rd Annual Fox River Summit will be held on Friday, March 20th, 2015 from 7:30 am to 4:30 pm at the Veteran's Terrace, Burlington, WI. I will be giving a presentation on Nippersink stream restoration projects. Registration info at <http://www.sewfrc.org/summit/> 7. The Northeast Illinois Invasive Plant Partnership will be holding a workshop on invasive plants on Tuesday, May 9th from 6 to 9 pm at the McHenry County Conservation District, Lost Valley Visitor Center.

Lake Manager's Report – March 2015

Randy Stowe, lakemanager@gmail.com

1. The MPOA has received the “Aquatic Invaders” signs to be posted at all WL boat ramps. The Wonder Lake Sportsman's Club (WLSC) has agreed to the install the signs as part of their Spring 2015 annual lake cleanup. The signs will be installed on “T” posts or existing fences near each boat ramps. If any subdivision does NOT want the sign installed, contact the MPOA office.
2. The WLSC Spring Clean-up will be scheduled for mid-to-late April. A definite date should be available for the next MPOA meeting. Volunteers are always welcome.
3. I have been working with our consultant, Peter Berrini to have the dredging contractor come up with their preliminary schedule for the 2015 dredging season. The primary goals of this plan are to minimize lake user conflicts in the 2015 dredging season, and to allow the contractor to work as efficiently as possible.
4. Depending on ice conditions, the dredging contractor proposes to re-mobilize around the middle of April. They are proposing to first work on Lookout Point and then the White Oaks Bay coves, tentatively completing that work by the first or second week of May.
5. They would then move up the lake to work on O'Brien Shoals and Wickline Island, hopefully completing that work by mid-June.
6. They will then move back into West Bay / Nippersink inlet, so that the main body of the lake will be “pipeline-free” for the majority of the boating season. Upon completing West Bay, they will then work on South Bay until the project is complete, hopefully in late Fall, 2015.
7. Marked “boat crossings” will be created by the contractor in each of these phases, to allow boat traffic to safely cross the dredge pipeline.
8. The “Preliminary Dredging Sequence and Timeline” will be handed out to boat decal purchaser's, and will be posted on the MPOA website. It is fully recognized that the sequence and timeline will likely shift once dredging resumes, based on equipment issues, flood events, and other unforeseen circumstances. As updates become available, information will be posted to the MPOA website.
9. No matter how the contractor proposes to schedule the work, there will be those who feel they are being inconvenienced. All we can do is ask for folks to look at the big picture (a cleaner, deeper lake), and be patient.
10. The 3rd Annual Fox River Summit will be held on Friday, March 20th, 2015 from 7:30 am to 4:30 pm at the Veteran's Terrace, Burlington, WI. I will be giving a presentation on Nippersink stream restoration projects. Registration info at <http://www.sewfrc.org/summit>

Lake Manager's Report – April 2015

Randy Stowe, lakemanager@gmail.com

1. Jean Wesolek is owed a big round of applause for her efforts in helping to keep the MPOA office running over the last month.
2. Because of changes in MPOA office staffing, and to accommodate the scheduled availability of new workers for the decal sales, the MPOA office hours have been changed. The new Summer hours for the MPOA office will be from Tuesday through Friday from the hours of 10 am to 2 pm. Saturday hours will be from 8 am to 1 pm.
3. As we will be having new office staff handling the decal transactions, in advance we ask for your patience and cooperation, and offer the following suggestions:
 - Whenever you come in, please make sure you have all the required, up-to-date paperwork (Registration, Proof of Insurance, etc.) with you. If your paperwork is not complete when you come into the office, there will be delays in processing your decal(s).
 - If at all possible, please try to avoid the usual Saturday morning crowds, and come into the MPOA office on Tuesday – Friday.
 - If you do need to come in on a Saturday morning, please be patient, as there will be a line of people.
 - If you have all of your registration documents in order, you may mail them to the MPOA office, along with the appropriate fee in the form of a check made out to the MPOA, and your 2015 decal(s) will be mailed back to you.
4. The MPOA is temporarily suspending the sale of IDNR “Paddle Passes” (for kayaks, canoes, etc.) and IDNR fishing licenses. We hope to resume this function soon.
5. The MPOA has received the “Aquatic Invaders” signs to be posted at all WL boat ramps. The Wonder Lake Sportsman's Club (WLSC) has agreed to the install the signs as part of their Spring 2015 annual lake cleanup. The signs will be installed on “T” posts or existing fences near each boat ramps. If any subdivision does NOT want the sign installed, contact the MPOA office.
6. The WLSC Spring Clean-up will be scheduled for Saturday, April 18th. Volunteers are always welcome.
7. An inspection of the SDF was conducted with the dredging consultant on April 1st to identify any required maintenance needs. Some minor grading work will be done on the interior slopes of the SDF to address some minor erosion issues, and to ensure compliance with our regulatory permits.
8. The dredging contractor is still planning to re-mobilize around the middle of April. They are proposing to first work on Lookout Point and then the White Oaks Bay coves, tentatively completing that work by the first or second week of May.
9. The “Preliminary Dredging Sequence and Timeline” will be available to boat decal purchaser's, and was posted on the MPOA website. It is fully recognized that the sequence and timeline will likely shift once dredging resumes, based on equipment issues, flood events, and other unforeseen circumstances. As updates become available, information will be posted to the MPOA website.
10. No matter how the contractor proposes to schedule the work, there will be those who feel they are being

unduly inconvenienced. All we can do is ask for folks to look at the big picture (a clearer, deeper lake), and be patient.

Lake Manager's Report – May 2015

Randy Stowe, lakemanager@gmail.com

1. Because of changes in MPOA office staffing, and to accommodate the scheduled availability of new workers for the decal sales, the MPOA office hours have been changed. The new Summer hours for the MPOA office are from Tuesday through Friday from the hours of 10 am to 2 pm. Saturday hours are from 8 am to 1 pm.

2. As we have new office staff handling the decal transactions, in advance we ask for your patience and cooperation, and offer the following suggestions:

- Whenever you come in, please make sure you have all the required, up-to-date paperwork (Registration, Proof of Insurance, etc.) with you. If your paperwork is not complete when you come into the office, there will be delays in processing your decal(s).
- If at all possible, please try to avoid the usual Saturday morning crowds, and come into the MPOA office on Tuesday – Friday. • If you do need to come in on a Saturday morning, please be patient, as there will be a line of people.
- If you have all of your registration documents in order, you may mail them to the MPOA office, along with the appropriate fee in the form of a check made out to the MPOA, and your 2015 decal(s) will be mailed back to you.

3. The MPOA will be resuming the sale of IDNR “Paddle Passes” (for kayaks, canoes, etc.) and IDNR fishing licenses shortly. When resumed, all IDNR transactions will be “cash-only”.

4. On January 1, 2015, a new boating regulation was established. Senate Bill 2731 mandates that the operator of any watercraft that is towing a person, such as a water skier or tuber, must display a bright orange flag measuring not less than 12 inches per side. The flag must be displayed from the time the person to be towed leaves the boat until that person returns to the boat at the conclusion of the activity. The MPOA office will have a limited number of these flags available for sale at \$10 each.

5. The Wonder Lake Sportsman's Club conducted their annual Lake Clean Up on Saturday, April 18th. As part of that activity, they also installed the “Aquatic Invaders” signs at subdivision boat ramps around the lake. Many thanks to the WLSC for their active participation in keeping the lake clean.

6. The “Preliminary Dredging Sequence and Timeline” is being posted / updated on the MPOA website. It is fully recognized that the sequence and timeline will likely shift as dredging continues, based on equipment issues, temperatures, flood events, and other unforeseen circumstances. Those already on the MPOA e-mail mailing list will be notified when dredging updates are posted to the MPOA website. If you are not on the mailing list, contact Lance at the MPOA office to be added at: office@wlmmpoa.org.

7. As previously discussed, the dredging contractor is being paid on the basis of the “volume” of sediment dredged; not on any kind of hourly or daily rate. The volume of sediment dredged is being tracked by GPS, and will be re-verified by a land surveyor to help ensure that all areas targeted for dredging are completed.

8. As spring slowly arrives, the MPOA has been working with our consultant and dredging contractor to update

the plan and schedule for the 2015 dredging season. The primary goals of this plan are to minimize lake-user conflicts in the 2015 dredging season, and to allow the contractor to work as efficiently as possible.

9. The dredging contractor remobilized and resumed dredging in mid-April, 2015, first deepening very shallow areas of West Bay needed to allow the dredge pipeline to float freely.

10. However, the recent spell of cold weather has prevented them from moving to White Oaks Bay and Lookout Point, as the dredge pipeline, with one inch thick sidewalls, has less flexibility when water temperatures are below 55 degrees. Any attempt to re-locate the pipeline while water temperatures are below 55 degrees increases the chances of cracks developing.

11. As a result, for the present, the dredging contractor will continue to work in the portions of West Bay under contract to be dredged until water temperatures rise.

12. They are then proposing to first work on Lookout Point and then White Oaks Bay Coves, tentatively completing that work by the second week of June.

13. The contractor would then move up the lake to work on O'Brien Shoals and Wickline Island, hopefully completing that work by mid-July.

14. The contractor will then move back into West Bay / Nippersink inlet, so that the main body of the lake will be "pipeline-free" for the remainder of the boating season.

15. Upon completing West Bay, they will then work on South Bay until the project is complete, hopefully by late Fall, 2015.

16. Marked "boat crossings" will be created by the contractor in each of these dredging phases, to allow boat traffic to safely cross the dredge pipeline.

17. In all areas proposed for dredging (with the exception of the Nippersink Creek inlet), the proposed dredging will come no closer than within twenty (20) feet of the shoreline. If your pier is shorter than 20 feet in length, you will likely NOT have to move your pier to allow dredging to occur. In the narrower portions of the Nippersink Creek inlet, the dredging will come no closer than ten (10) feet of the shoreline. Where possible, lakefront landowners / subdivisions in areas to be dredged should avoid installing their piers until after dredging in their area is completed, particularly if they are more than 20 feet long. Any piers extending into areas slated to be dredged will need to be removed before dredging starts, or the amount of dredging conducted in those areas will be reduced. Information on when piers would need to be temporarily removed in those areas will be provided to affected landowners as the dredging timeline is updated.

18. It is fully recognized that the sequence and timeline will likely shift as dredging resumes, based on equipment issues, flood events, and other unforeseen circumstances. As updates become available, information will be posted to the MPOA website. www.wlmpoa.org

19. No matter how the contractor proposes to schedule the work, there will be those who feel they are being inconvenienced. All we can do is ask for folks to look at the big picture (a cleaner, deeper lake), and be patient.

Lake Manager's Report – June 2015

Randy Stowe, lakemanager@gmail.com

1. The “Preliminary Dredging Sequence and Timeline” is being posted / updated on the MPOA website as we get new info. This sequence and timeline will likely shift as dredging continues, based on equipment issues, temperatures, flood events, and other unforeseen circumstances. Those already on the MPOA e-mail mailing list will be notified when updates are posted to the MPOA website. If you are not on the mailing list, contact Lance at the MPOA office at: office@wlmpoa.org.
2. The dredging contractor is currently finishing up portions of West Bay before moving up to White Oaks Bay next week. They are focusing on doing portions of the Nippersink Creek inlet to improve lake access for those landowners. This is also where the amount of rock and gravel being dredged is hardest on certain parts of the dredge pump equipment. As they have those replacement parts ready to install, they want to get as much use out of those parts to be replaced as possible. They are planning to replace those parts early next week before moving up to WOB, which they still hope to have completed by the 4th of July.
3. Under this plan, any remaining unfinished areas of West Bay / Nippersink Creek inlet will be completed later in the summer.
4. The dredging contractor plans to temporarily move the dredge and pipeline back into West Bay for the 4th of July to facilitate holiday boating.
5. With the upcoming 4th of July holiday, if you have not yet purchased your MPOA boat decals, please try to do so before the inevitable crowd forms on July 3rd.
6. As a follow-up to April 1st maintenance inspection of the SDF, some grading work was done in May on the interior slopes of the SDF to address some minor erosion issues, and to ensure compliance with our regulatory permits.
7. On January 1, 2015, a new boating regulation was established. Senate Bill 2731 mandates that the operator of any watercraft that is towing a person, such as a water skier or tuber, must display a bright orange flag measuring not less than 12 inches per side. The flag must be displayed from the time the person to be towed leaves the boat until that person returns to the boat at the conclusion of the activity. Under the law, flying the flag for purposes other than towing is prohibited, so be sure to only display the flag when towing. The MPOA office will have a limited number of these flags available for sale at \$10 each.
8. As previously discussed, the dredging contractor is being paid on the basis of the “volume” of sediment dredged; not on any kind of hourly or daily rate. As such, it is up to the dredge contractor (not the MPOA) to determine the most productive means / route of dredging.
9. The volume of sediment dredged is being tracked by GPS, and will be re-verified by a land surveyor to help ensure that all areas targeted for dredging are completed. An example of the GPS tracking showing all of the West Bay areas that had been dredged through May 19th, 2015 is shown below.
10. While it is impossible to specify an exact date and time when the dredging will be done at a particular location on the lake, the MPOA is working closely with the dredging contractor to try to minimize inconvenience to shoreline landowners and lake users to the extent possible. Lakefront landowners whose access to the lake may be temporarily blocked by the dredge / pipeline may wish to temporarily find other boat mooring locations

beyond the immediate dredging work area.

11. No matter how the contractor proposes to schedule the work, there will be those who feel they are being unduly inconvenienced. All we can do is ask for folks to look at the big picture (a clearer, deeper lake), and be patient.

Lake Manager's Report – July 2015

1. The “Preliminary Dredging Sequence and Timeline” is being posted / updated on the MPOA website as we get new info. This sequence and timeline will likely shift as dredging continues, based on equipment issues, temperatures, flood events, and other unforeseen circumstances. Those already on the MPOA e-mail mailing list will be notified when updates are posted to the MPOA website. If you are not on the mailing list, contact Lance at the MPOA office at: office@wlmpoa.org.

2. As of today, the dredging contractor is still finishing up portions of West Bay before moving up to White Oaks Bay. Under this plan, any remaining unfinished areas of West Bay / Nippersink Creek inlet will be completed later in the summer.

3. While it is impossible to specify an exact date and time when the dredging will be done at a particular location on the lake, the MPOA is working closely with the dredging contractor to try to minimize inconvenience to shoreline landowners and lake users to the extent possible. Lakefront landowners whose access to the lake may be temporarily blocked by the dredge / pipeline may wish to temporarily find other boat mooring locations beyond the immediate dredging work area.

4. No matter how the contractor proposes to schedule the work, there will be those who feel they are being unduly inconvenienced. All we can do is ask for folks to look at the big picture (a clearer, deeper lake), and be patient.

5. The P.E. who previously performed our annual dam inspection is no longer with HDR. I am preparing a Request for Proposal to distribute to firms qualified to do this work, so one can be retained by the MPOA to perform the inspection of the Wonder Lake Dam and SDF this fall.

6. The sixth groundwater monitoring event was conducted at the SDF in late June. Each event involves collecting water samples at each of the four (4) groundwater wells in the vicinity of the SDF (as specified by the IEPA), and submitting those water quality samples submitted to a state certified lab for analysis. The lab results are then forwarded to IEPA for their review.

7. This event fulfilled the first IEPA permitting requirement to conduct six (6) monitoring events in the first year of operation. Groundwater monitoring will continue under the next IEPA permit requirement, which calls for bi-monthly sampling while dredging is underway.

8. The IEPA permit identifies 26 specific water quality parameters which must be analyzed. 19 of those parameters have specific numeric “permit standards” established by IEPA in our permit. In the last sampling event at Well B-8, which is directly adjacent to the SDF, 14 of the 26 parameters were analyzed by the lab as “ND”, which means the parameter was “Not Detected”. Of the remaining 12 parameters, each was determined to be well below the IEPA permit standard. These results are typical of all the other monitoring wells, on each of the six monitoring events.

9. Water quality samples are also gathered from the location where flow from Cell # 2 of the SDF enters Galt Creek, before returning to the lake. The only “permit standard” imposed by IEPA on this flow was a maximum of

15 mg/l for Total Suspended Solids (TSS), which is close to bottled water in appearance. The average TSS value for the last 5 sampling events was 3.5 mg/l. It is safe to say that the return flow from the SDF is far cleaner / clearer than what flows into Wonder Lake from its tributary creeks or from local storm sewer systems after rain events.

Lake Manager's Report – August 2015

Randy Stowe, lakemanager@gmail.com

The “Preliminary Dredging Sequence and Timeline” is being posted / updated on the MPOA website as we get new info. This sequence and timeline will likely shift as dredging continues, based on equipment issues, temperatures, flood events, and other unforeseen circumstances. Those already on the MPOA e-mail mailing list will be notified when updates are posted to the MPOA website. If you are not on the mailing list, contact Lance at the MPOA office at: office@wlmipoa.org.

As of today, the dredging contractor is conducting some repairs to the dredge, and when complete, will finish up White Oaks Bay before moving over to Lookout Point. At that point, we will be bumping up against the Labor Day weekend, so the dredging plan will be adapted to minimize lake use conflict, where feasible.

While it is impossible to specify an exact date and time when the dredging will be done at a particular location on the lake, the MPOA is working closely with the dredging contractor to try to minimize inconvenience to shoreline landowners and lake users to the extent possible. Lakefront landowners whose access to the lake may be temporarily blocked by the dredge / pipeline may wish to temporarily find other boat mooring locations beyond the immediate dredging work area. No matter how the contractor proposes to schedule the work, there will be those who feel they are being unduly inconvenienced. All we can do is ask for folks to look at the big picture (a clearer, deeper lake), and be patient.

On Saturday, July 18th, the area experienced significant rainfall, which forced a short-term closure of the lake to boat traffic. Lake closures are only done when there is a significant concern for safety, or when lake use during high water events would potentially cause shoreline property damage.

On Monday, July 20th, there was a spill of pavement sealer into the lake, which originated at a private residence, off the lake, operating a driveway sealing business. The Wonder Lake Fire Department responded quickly, placing booms to prevent the sealant from spreading further in the lake. The Village of Wonder Lake also responded by calling in an environmental remediation firm, which cleaned up the remaining sealant, and removed barrels of contaminated soils. The Village will be pursuing the landowner for the cost of the clean-up effort. Events like this emphasize the need for MPOA members to realize that activities they conduct on their property can have an impact on the lake, even if they don't live on the lake.

On Saturday, August 8th, the Wonder Lake Sportsman's Club again pitched in to do some needed clean-up work, removing some large fallen trees below the dam. If you see a Sportsman's Club member, thank them for all the good work they do for the lake.

I am still awaiting proposals from engineering firms to perform our annual dam inspection. I have received one so far, and am hoping for at least one more.

The Nippersink Watershed Association (NWA) applied for almost \$ 900,000 in Section 319 grant funding from the Illinois Environmental Protection Agency, which if funded would help fund \$ 1.7 million in various water quality projects upstream of Wonder Lake, and on Wonder Lake. The NWA submitted six (6) or 13% of the total forty-five (45) grant applications submitted in the entire State. An indication of our success won't be known until early next year.

Lake Manager's Report – October 2015

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor has completed the dredging of White Oaks Bay, and has re-positioned the dredge and pipeline to allow them to begin dredging near O'Brien Shoals. This means that the pipeline is now extended across the middle of Wonder Lake, roughly between West Bay and Wonder Center Beach. While the dredging contractor has installed pipeline markers and pipeline crossings, all lake user's must exercise extreme caution when operating in the mid-section of the lake. As always, no-wake boating is required at all times within close proximity of the dredge, dredge pipeline, and other dredging related equipment. They anticipate 4 to 6 weeks to complete O'Brien Shoals, subject to when weather / temperatures force a winter shut-down.
2. The dredging contractor determined that with the pipeline and equipment currently on the lake, they would not be able to move from White Oaks Bay to Lookout Point, as was originally planned. As a result, the dredging of Lookout Point, which is estimated to take one week, is planned to occur early in the Spring of 2016.
3. All other areas of the lake slated for dredging under the existing contract will be dredged, including any remaining sections of West Bay / Nippersink Creek inlet; Wickline Island; and South Bay. It is hoped to have any dredging near shoreline areas completed before the start of the 2016 boating season, to prevent any delays in piers being installed.
4. As the dredging contract payout is based solely on the verified volume of sediment removed, that verification of the volume of sediment removed to date has begun with a land surveyor, which will be compared against the measurements being taken by the GPS system found on the dredge.
5. In sending out the most recent "dredging update" by email, it was determined that an internet issue may have prevented all intended recipients from receiving this, and possibly prior, MPOA update emails. Among the many other MPOA office procedures that Lance is diligently working on stream-lining (with great success), he will continue to work on making future MPOA email communications as seamless as possible.
6. On September 20th, I met with the Sportsman's Club to discuss the development of a multi-year plan to stabilize and enhance the WL islands
7. The annual inspection of the Wonder Lake Dam and the Wonder Lake SDF was conducted on October 5th. Due to a change in employment of the P.E. who had formerly conducted the inspections for the MPOA, a new engineering firm was retained. The new firm echoed earlier dam inspection reports that both of these structures are very well maintained, with no deficiencies noted. Those reports will be submitted to IDNR-OWR.
8. The MPOA has now secured a commitment from McHenry County for them to contribute \$ 5,000 annually to the cost of maintaining the USGS stream gage at Thompson Road. This gage provides valuable real-time information that benefits both Wonder Lake and the County.

Lake Manager's Report – November 2015

The MPOA dredging contractor continues to work on the O'Brien Shoals area. The following exhibit shows the approximate extent of the dredging conducted to date in that area.

exhibit shows the approximate extent of the dredging conducted to date in that area

The dredging contractor has indicated that they intend to work as long as temperatures allow this fall. Typically, this may be up to the end of November.

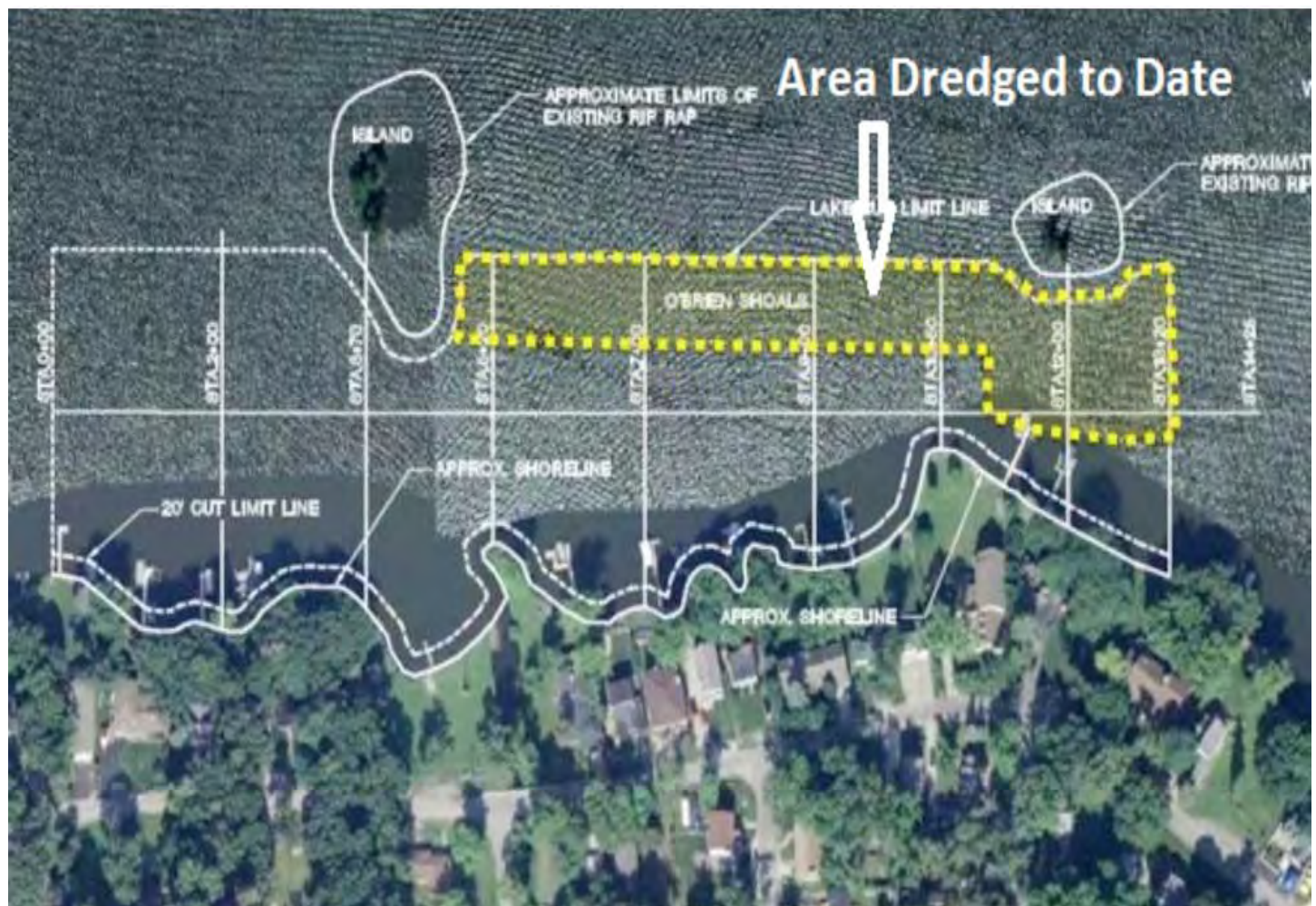
Depending on how far the dredging contractor gets this fall, the plan is to have them resume work as soon as possible in Spring 2016 to allow them to complete any remaining areas at O'Brien Shoals; Wickline Island, and Lookout Point before the start of the boating season. It is hoped to have any dredging near shoreline areas completed before the start of the 2016 boating season, to prevent any delays in piers being installed.

On October 27th, 2015, I made a presentation at the Illinois River Conference in Peoria about water quality projects being implemented by the Nippersink Watershed Association with IEPA funding. These IEPA projects help protect the water quality of Nippersink Creek and Wonder Lake.

On November 4th, 2015, I conducted the final IEPA required groundwater monitoring event for 2015 at the Wonder Lake SDF site. Results will be forwarded to IEPA when received. Sampling will be resumed in Spring 2016.

The Illinois Lake Management Association will be holding its annual conference in Springfield on February 29 – March 2, 2016. Information can be found at <http://www.ilma-lakes.org/ilma-annual-conference>

To keep things consistent with how the process for applying for an MPOA boat decal works, the MPOA is updating the requirements for snowmobiles and ATV's. Additional information will be provided by the MPOA Office.



Lake Manager's Report – December 2015

1. The MPOA dredging contractor is continuing to de-mobilize for the winter. All dredging equipment / pipeline that will remain in the lake over the winter has been relocated to West Bay, as shown below. Assuming the lake will eventually ice over, winter lake users will need to exercise caution when in West Bay.
2. The Illinois Lake Management Association will be holding its annual conference in Springfield on February 29 – March 2, 2016. Information can be found at <http://www.ilma-lakes.org/ilma-annual-conference>
3. For the 5th year in a row, the MPOA has provided funds necessary to meet its commitment to minimize the cost impact of SSA #9 that makes our Lake Restoration possible. This is done through a rebate offer available to lower income households, handled through the McHenry Township office. In the October 2015 application period, there were 44 residents who met the criteria necessary for them to receive either a 40% or 60% rebate of the amount that they paid towards our lake restoration as part of their 2014 property tax bill. A special thank you goes to Mr. Craig Adams, McHenry Township Supervisor, who was the administrator of the MPOA rebate program.
4. The MPOA has been working to streamline and standardize office procedures, particularly regarding the annual sale of MPOA summer / winter decals, and guest passes. As a result, the following changes are now in place:
 - o To be consistent with how MPOA boat decal sales are currently handled (where the applicant is required to submit a current copy of their Illinois Department of Natural Resources boat registration with their application); starting with the winter 2015 / 2016 winter decal, snowmobile owners are now required to provide the MPOA with a copy of their current IDNR snowmobile registration, as part of applying for a winter decal.
 - o To continue to protect the privacy of Wonder Lake, the MPOA will be requiring more information / documentation before issuing MPOA recreational decals to anyone renting property within MPOA subdivisions having deeded lake rights. Renters will be required to provide an authorized form letter from the property owner. This form letter will be provided by the MPOA, and will have to be signed and notarized by the property owner. Notary services will be available during scheduled MPOA office hours.
 - o MPOA lake access 72-hour guest passes are no longer available through MPOA subdivisions; they will only be available for purchase from the MPOA office during scheduled MPOA business hours.
 - o Renters will not be eligible to purchase MPOA 72-hour guest passes. Guest passes for rental properties can only be purchased by the owner of the rental property. Both the property owner and renter will need to come into the MPOA office together to purchase a guest pass, as an MPOA provided form will have to be signed and notarized by the property owner.
 - o For watercraft / snowmobiles requiring IDNR registration, if the MPOA decal applicant is not listed on the current IDNR registration as the owner or co-owner, that applicant will only be eligible for an MPOA 72-hour guest pass.

MASTER PROPERTY OWNERS ASSOCIATION

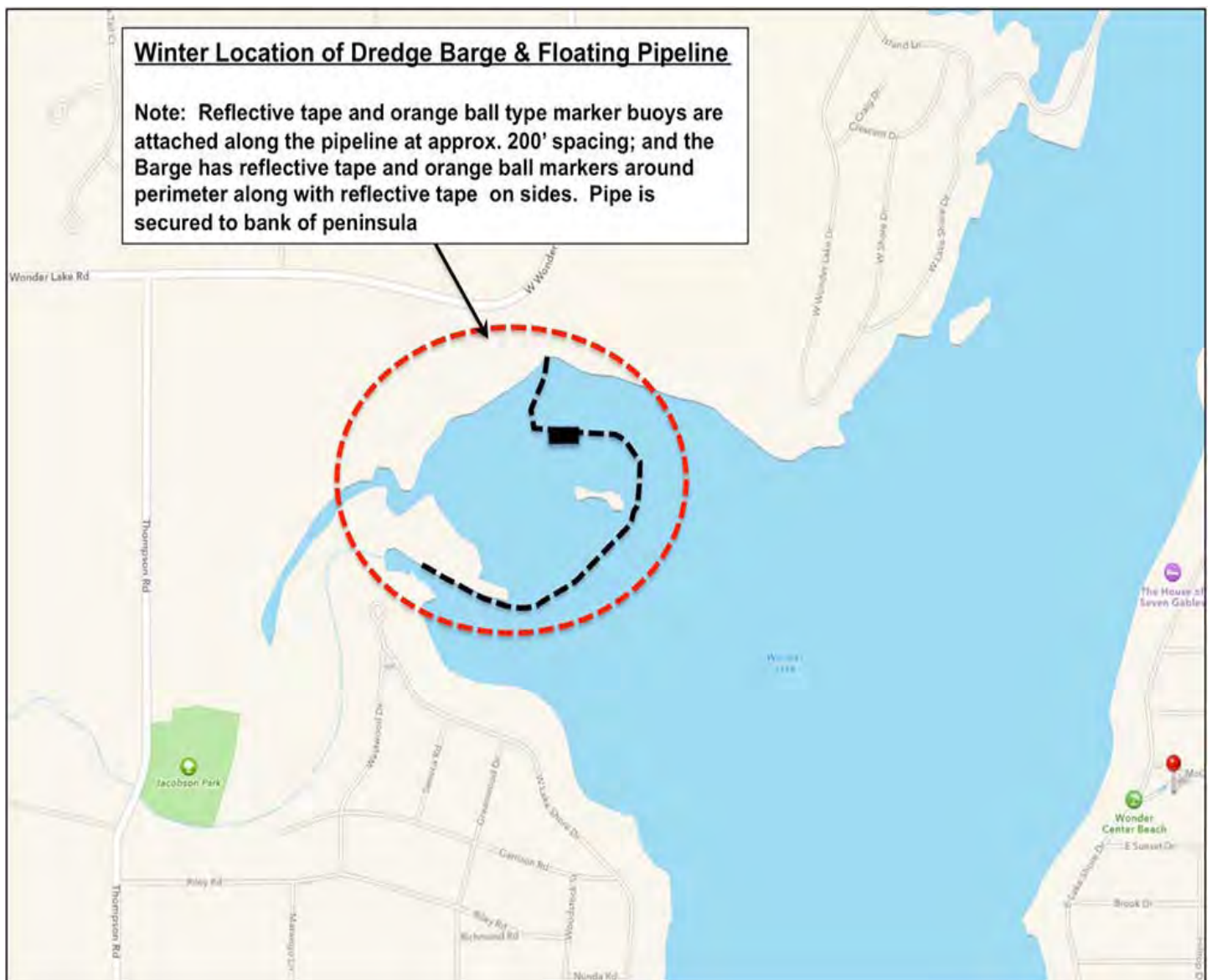
Lake Manager's Reports 2016

Randy Stowe, lakemanager@gmail.com

Lake Manager's Report – January 2016

Randy Stowe, lakemanager@gmail.com

1. I am working with our dredging consultant to obtain the surveyed sediment verification for White Oaks Bay so that the MPOA can confirm that the volume of dredged sediment for WOB, as required under the dredging contract has been removed from that area.
2. The MPOA dredging contractor has de-mobilized for the winter. All dredging equipment / pipeline that will remain in the lake over the winter has been relocated to West Bay, as shown below. Winter lake users will need to exercise caution when in West Bay.
3. All winter lake users are again reminded of the presence of the rip-rap island protection around O'Brien Shoals and Wickline Island, and as always, are urged to use caution in these areas of the lake. Snowmobiler's are also reminded that the Wonder Lake d embankment is strictly off-limits.
4. The Illinois Lake Management Association will be holding its annual conference in Springfield on February 29 – March 2, 2016. Information can be found at <http://www.ilma-lakes.org/ilma-annual-conference>.



Lake Managers Report – February 2016

Randy Stowe, lakemanager@gmail.com

1. I am still working with our dredging consultant to obtain the surveyed sediment verification for White Oaks Bay so that the MPOA can finally confirm that the volume of dredged sediment for WOB, as required under the dredging contract has been removed from that area.
2. The MPOA dredging contractor has de-mobilized for the winter. All dredging equipment / pipeline that will remain in the lake over the winter has been relocated to West Bay, as shown below. Winter lake users will need to exercise caution when in West Bay.
3. All winter lake users are again reminded of the presence of the rip-rap island protection around O'Brien Shoals and Wickline Island, and as always, are urged to use caution in these areas of the lake. Snowmobiler's are also reminded that the Wonder Lake d embankment is strictly off-limits.
4. Last weekend, a number of cars parked on Geneva Lake fell through the ice. While vehicles are not allowed on the Wonder Lake ice, the unusual weather this winter is contributing to variable ice conditions, and potentially hazardous conditions. Anyone venturing out onto the ice should be aware of what to do if they were to fall through the ice. The most recent edition of the Wisconsin "Lake Lines" publication included an informative article on "Safety on Our Frozen Lakes" (attached), and also included a video-link, including YouTube videos on how to save yourself. <http://www.lake-link.com/articles/read0/article.cfm/1018/Safety-On-The-H...>
5. The MPOA has modified its office hours to better accommodate spring decal sales, including Friday evening hours in May and June.

MARCH AND APRIL TUES – FRI 10:00AM TO 2:00PM SAT. 9:00AM TO 2:00PM

MAY AND JUNE TUES – THURS 10:00AM TO 2:00PM FRIDAY 3:00PM TO 7:00PM SAT. 9:00AM TO 2:00PM

6. The Wonder Lake Sportsman's Club will be holding a workday this Saturday, February 13, 2016 to begin removing invasive brush from Strom Island.
7. The Nippersink Watershed Association is planning a stream clean-up of Nippersink Creek downstream of the Wonder Lake Dam. The proposed work day is Saturday, May 7, 2016. Volunteers will be welcome. This activity will complement the annual lake clean-up conducted by the Wonder Lake Sportsman's Club.
8. The Illinois Lake Management Association will be holding its annual conference in Springfield on February 29 – March 2, 2016. Information can be found at <http://www.ilma-lakes.org/ilma-annual-conference>
9. The 4th Annual Fox River Summit will be held on Thursday, March 17, 2016 from 7:30 am to 4:30 pm at the Veteran's Terrace, Burlington, WI. Registration info at <http://www.sewfrc.org/summit/>

Lake Manager's Report – April 2016

Randy Stowe, lakemanager@gmail.com

In August 2015, the Nippersink Watershed Association (NWA) applied for water quality improvement grants for \$ 1.7 million in projects. All of these projects are located upstream of, or in, Wonder Lake. The NWA has been notified that these grants have been approved, with the Illinois Environmental Protection Agency (IEPA) granting almost \$848,000 in Section 319 funds. This IEPA amount represents almost 25% of the Section 319 funds IEPA awarded state-wide in this grant cycle. I will be meeting with those folks receiving grants, once I get more information from IEPA.

The Wonder Lake Sportsman's Club conducted three (3) workdays to remove invasive brush from Strom Island. The shade cast by this brush was preventing soil stabilizing vegetation from growing, leading to erosion. Be sure to thank the following folks for their 112 hours of effort:

Mark Nichols, Tony Musel, Dennis Gallo, John Naatz, Jerry Graff, Ken Shaleen, Mike Pickrum, Sara Pickrum, Jerry Luciano, Brian Verdin, Brian Barnfield, Jason Conrad, Bob Schell

The MPOA will continue to work with the Sportsman's Club on re-establishing native grasses and wildflowers on Strom Island to help prevent erosion as well as providing improved wildlife habitat. As clearing the invasive brush will make the island more accessible to lake users, the MPOA will be working on signage and information to encourage people to avoid trampling newly established vegetation, and to clean up any litter they find.

The Wonder Lake Sportsman's Club will be holding its annual lake clean-up this Sunday, April 17th. Meet at the Hickory Falls 1 & 2 beach area at 9:00 am, as always, volunteers welcome.

The Nippersink Watershed Association is planning a stream clean-up of Nippersink Creek, downstream of the Wonder Lake Dam. The proposed work day is Saturday, May 7, 2016. (Rain date May 8th) Volunteers will be welcome. Meet at the Wonder Lake Dam – East side at 10:30 am.

The Illinois Lake Management Association conference was held in Springfield at the end of February. Dick and I received numerous questions / compliments regarding the Wonder Lake dredging project. Many Illinois lake groups are looking at Wonder Lake as being a success story.

The MPOA dredging contractor is still mobilizing for the start of the 2016 dredging work. They plan to start at Lookout Point towards the end of this month. Updated info will be posted to the MPOA website when an actual start date is known.

Update: MCDH will NOT be making a presentation

We have invited the McHenry County Department of Health (MCDH) to make a presentation at the May 11th, 2016 MPOA Director's meeting on swimming beaches, and the associated responsibilities of the beach operator for swimming beaches. Each MPOA subdivision operating a swimming beach should have their beach commissioner attend this presentation, which will be conducted at the beginning of the MPOA meeting at 7:00 p.m. Final confirmation of MCDH attendance will be sent out prior to that meeting.

In July, 2015, Wonder Lake experienced a pavement sealer spill, which require a Fire Department response, and a subsequent environmental clean-up, which cost the Village \$ 15,000. The Village has recouped a portion of this cost from the insurance company of the person who caused the spill, and is still pursuing the balance. Most pavement sealants used in our area are "Coal-Tar" based, a compound that has been determined to carcinogenic, as discussed on the following pages. Coal-Tar sealant is most often used by commercial applicators, as it is less expensive. A number of studies also question whether pavement sealant actually extends the lifespan of treated pavement. An alternative "Asphalt-Based" version of pavement sealer is available, which is considered to be much safer than coal-tar based sealant. So if sealing your driveway is on your spring to-do list, please consider using an Asphalt-Based sealer.

Protect Illinois Communities from Toxic Coal Tar Sealants

Support HB 5578

Sponsor: Rep. Fine

This bill would ban the sale and use of coal tar sealant in Illinois. It allows cities and counties to adopt ordinances to enforce the ban.

It will help prevent dust from coal tar, a known human carcinogen, from being tracked into our homes. It will protect aquatic organisms in Illinois' waterways from coal tar sealant runoff containing high levels of dangerous polycyclic aromatic hydrocarbons.

What Is Coal Tar?

- Coal tar, produced when coal is subjected to high temperatures, contains high levels of polycyclic aromatic hydrocarbons (PAHs).
- Sealants containing coal tar are used to coat driveways, parking lots and playgrounds. **85 million tons of coal-tar-based sealcoat are used annually in the U.S.**
- Historically, coal tar sealants have been used in the eastern and central U.S. while asphalt sealants have been used in the west.



Pouring seal coating on a driveway.
photo: Minnesota Pollution Control Agency

Why Ban Coal Tar Sealants?

Coal Tar Sealants are a Threat to Human Health

- PAH compounds are known to be toxic, mutagenic and/or carcinogenic and can cause birth defects.
- Ingestion, inhalation, and absorption through skin contact are all potential routes for exposure to PAHs.
- According to a study by the USGS, someone living next to coal-tar-sealed pavement has a **risk of cancer that is 38 times higher** than the urban background exposure¹.
- A study by USGS in Lake in the Hills, about 50 miles northwest of Chicago, showed levels of benzo(a)pyrene in dust from coal tar-covered driveways that were up to 5,300 times higher than the level that triggers an EPA Superfund cleanup at polluted industrial sites^{ii,iii}.

PAHs in Coal Tar are Toxic to Aquatic Species

- PAHs can cause severe biological defects and damage the health of aquatic organisms.
- PAHs can contaminate our stormwater and sediments in urban lakes and detention basins.
- **Water running off a parking lot coated with coal tar-based sealcoat had 30 times more PAHs than water from an unsealed lot².**

Coal Tar Sealant Phase-out

As of 2015, communities representing **over 16 million people** have voted to pass bans on coal tar sealants. Citizens and leaders in these areas have stood up to protect their communities.

- In 2006 the first ban was implemented in Austin, Texas.
- Washington was the first state to initiate a statewide ban in 2011.
- Minnesota has 29 local bans, and a statewide ban went into effect in 2014.
- South Barrington banned coal tar sealant use in 2012.
- City of Winnetka ban went in effect in 2014.

In Illinois, other communities are moving away from coal tar sealants—

- Government-use restrictions have been adopted by the counties of DuPage and McHenry, as well as by a number of municipalities.
- Members of the DuPage River Salt Creek Workgroup have developed and signed a memorandum of understanding to not purchase or use coal tar-based sealants.^v

RESOURCES

USGS Science on Coal-Tar-Based Sealcoat and Environmental and Human Health, by Dr. Barbara Mahler, Hydrologist. Video presentation: <http://www.viddler.com/v/b63b7a27>

Model Ordinances, Resolution & Pledge:

- **McHenry County** (<http://bit.ly/1Ou0V2t>)
- **Minnesota and Freswater Future model** (<http://bit.ly/1mThF0t>)
- **Barrington Area Council of Governments** (<http://bit.ly/211BqLL>)
- **Model Pledge** (<http://bit.ly/1PTDr9P>)

ⁱ http://www.usgs.gov/blogs/features/usgs_top_story/youre-standing-on-it-health-risks-of-coal-tar-pavement-sealcoat/

ⁱⁱ <http://articles.chicagotribune.com/2013-03-28/news/ct-met-coal-tar-industry-pushback-20130328-1-coal-tar-asphalt-based-sealants-pavement-coatings-technology-council>

ⁱⁱⁱ Van Metre, P.C., and Mahler, B.J. Contribution of PAHs from coal-tar pavement sealcoat and other sources to 40 U.S. lakes: Science Total Environ. 2010

^{iv} <http://by.uwex.edu/shwec/2013/03/08/mn-community-saddled-with-pah-dredging-costs/>

^v <http://www.drscw.org/nonpoint.html>



ABOVE: USGS Studies show how PAHs escape from coal tar-based sealants and are released into the air we breathe and water we drink.

Damage from Coal Tar Sealants Cost Taxpayers Money

PAH-contaminated sediment causes increased costs and problems associated with stormwater management. Estimates for removing PAH contamination from all basins in Inver Grove Heights, a suburb of St. Paul, pop. 34,000, range from \$1.5 to \$4.0 million.^{iv}

Effective Alternatives Are Already in Place

- PAH levels in the alternative asphalt-based sealants are 1000 times lower than in coal tar sealant.
- PAH concentrations in dust from parking lots in central and eastern U.S. cities, where coal-tar-based sealcoat is commonly used, are up to 3000 times higher than in the western U.S., where asphalt-based sealcoat is more commonly used.
- Using permeable pavement to construct parking lots can eradicate the need for sealants, and reduce flooding and improve water quality by promoting infiltration of stormwater.
- A number of stores, including Ace, Home Depot, Lowes and Menards, no longer sell coal tar sealants but sell asphalt-based sealants.

Lake Manager's Report – May 2016

Randy Stowe, lakemanager@gmail.com

1. The Wonder Lake Sportsman's Club held its annual lake clean-up on April 17th. Be sure to thank the following folks for their much appreciated efforts:

Tony Signorini, Tony Musel, Tom Sharkey, Pat Dedina, Tom & Tommy Stygar, Ken Shaleen, Bryan Verdino, Dennis Gallo, Mike Pickrum, Rick Hummel, Mark Nichols, Tom Provenzano, Brian Barnfield, Vanessa Barnfield

2. The IEPA is in the process of finalizing the Section 319 grant award of roughly \$848,000, which will allow a number of water quality projects beneficial to Wonder Lake to be implemented. I will be meeting with those folks receiving grants, once I get more information from IEPA.

3. On May 4th, I attended the Wonder Lake Sportsman's Club meeting and made a presentation on the dredging project, and the various water quality projects being undertaken by the Nippersink Watershed Association.

4. On May 7th, the Nippersink Watershed Association conducted a stream clean-up of Nippersink Creek, extending from the Wonder Lake Dam down to the MCCC Canoe Launch at Keystone Road. In addition to myself, Mark Nichols, Dennis Palys and Dick Hilton participated. Thanks to MCCC for allowing site access, and to the McHenry Township Road District for picking up the collected trash.

5. The MPOA has received complaints about folks fishing below the Wonder Lake dam, an area clearly marked with "No Trespassing" signage. The MPOA has notified the Wonder Lake Police Department and the McHenry County Conservation District Police. Both agencies have indicated that they will increase their monitoring of the area, and will take appropriate enforcement action.



6. The Lake Use Commission has installed buoys marking the newly defined areas in Party Bay where lake users can moor their boats, as shown below. The WLPD Marine Patrol will be enforcing these boundaries, so cooperation is encouraged.

7. The MPOA dredging contractor is finalizing upgrades to the dredge, and has indicated that they should be starting Lookout Point (LP) in the next

day or so. They are estimating that LP will take perhaps 3 or 4 days to complete.

8. The MPOA dredging consultant conducted a site visit on April 21st to confirm / verify whether the contract specifications for White Oaks Bay have been met, which is a routine step in any dredging project. The consultant determined that a portion of White Oaks Bay Cove # 3 will need another couple days work to fully meet the contract specifications. The dredging contractor will do perform this work immediately following Lookout Point.

9. Upon completing WOB Cove # 3, the dredging contractor will move down to complete O'Brien Shoals, which they are estimating may take 2 to 3 weeks.

10. Following that, the contractor will then complete Wickline Island, West Bay, and then South Bay. Updated timelines will be provided as they become available.

11. The exhibit below shows the approximate location and extent of the sediment pipeline and pipeline crossings for the summer of 2016. As always, lake user's need to be aware that the pipeline location will frequently shift as dredging progresses.

Lake Manager's Report - June 2016

1. The Nippersink Watershed Association (NWA), received a donation of almost 200 potted plants from the U.S. Fish and Wildlife Service intended to provide butterfly and pollinator habitat. On June 4th, Mark Nichols and the Wonder Lake Sportsman's Club coordinated the planting of roughly 150 of these plants on Strom Island, with the following volunteers participating. Be sure to thank the following folks for their much appreciated efforts:

Tony Musel, Ken Shaleen, Dennis Gallo, Kelly Nelson, Steve Byers, Nancy Williamson, Christyn Gaskell
Preston Skultety, Cindy Skrukrud

Dennis Palys and Bob Schell are coordinating the installation of another 50 potted plants on a wetland parcel in Wonderview owned by the NWA.

2. Today, the MPOA was also notified that it will also be receiving an additional donation of 200 potted plants from "Monarch Watch" www.monarchwatch.org Volunteers will again be welcome once a planting date is scheduled.

3. The Nippersink Watershed Association has received the draft contract from the IEPA for the pending Section 319 grant, which will allow a number of water quality projects beneficial to Wonder Lake to be implemented. I will be meeting with those folks receiving grants, once I get more information from IEPA.

4. The MPOA dredging contractor has completed the dredging at White Oaks Bay and Lookout Point.

5. The MPOA continues to work with the dredging contractor to have them routinely maintain their marking of the sediment pipeline and designated crossing points. They have added buoys, lights and signage.

6. Based on the experiences of the Memorial Day weekend, it has been determined that having the dredging sediment pipeline extended across the mid-section of the lake during the summer boating season is not advisable.

7. As a result, the dredging schedule has changed. The dredge has now been moved to the south end of South Bay, where it will operate for the majority of the Summer 2016 boating season. Once completed with South Bay, the dredging schedule will be updated, as to how and when they will finish Wickline Island, O'Brien Shoals, and West Bay.

8. Please review the updated dredging plan exhibit to familiarize yourself with the new conditions. The boat crossing shown is intended for those needing access to / from the main body of the lake from West Bay, or the west side of South Bay.

9. Lake users operating anywhere in South Bay near Highland Shores, Sunrise Ridge, Wonderview and St. Francis Heights will need to be extremely vigilant of changing conditions. The marked boat crossing will remain in the same place over the summer, but the pipeline between the crossing and the dredge will move as South Bay Dredging continues. Where feasible, avoidance of this area of the lake by lake users should be strongly considered.

10. To be safe, lake users should at no time come within 50 feet of the pipeline, booster pump, or dredge (except at the designated crossing). The designated boat crossing should be navigated at a "no-wake" speed. If necessary, the MPOA will instruct the Wonder Lake Marine Patrol to ticket any lake user operating in an unsafe manner in proximity to any of the dredging infrastructure.

11. Again, the MPOA asks for everyone's cooperation in having a safe summer boating season. Lake users are reminded that as part of receiving a 2016 MPOA watercraft decal, they signed liability release forms, which states (in part):

5) I am solely responsible for being aware of any dredging-related operation or conditions that might affect my safe usage of the lake: and am responsible for informing anyone operating my watercraft of these conditions...

B. He fully acknowledges that operating watercraft in proximity to any element of the dredging project or any other M.P.O.A. lake restoration project can be hazardous, and...

12. The exhibit below shows the approximate location and extent of the sediment pipeline and pipeline crossings for the summer of 2016. As always, lake user's need to be aware that the pipeline location will frequently shift as dredging progresses.



Lake Manager's Report – July 2016

Randy Stowe, lakemanager@gmail.com

1. The MPOA has received numerous comments from lake users about issues in their trying to cross the sediment pipeline at the designated crossing point. The MPOA continues to work with the dredging contractor to make sure that lake users understand how to cross the pipeline without damaging their boats or the pipeline.
2. To be safe, lake users should at no time come within 100 feet of the pipeline, booster pump, or dredge (except at the designated crossing). The designated boat crossing should be navigated at a “no-wake” speed, using their motor tilt if available. The MPOA has instructed the Wonder Lake Marine Patrol to ticket any lake user operating in an unsafe manner in proximity to any of the dredging infrastructure.
3. The MPOA has also received numerous comments from the dredging crew and other observers of water-skiers coming dangerously close to the dredging equipment. A search for quiet water to water-ski on is not remotely worth the risk of incurring serious injuries.
4. Lake users operating anywhere in South Bay near Highland Shores, Sunrise Ridge, Wonderview and St. Francis Heights will need to remain extremely vigilant of changing conditions. Lake users are again reminded that the intended purpose of this crossing is to allow folks from Highland Shores and Sunrise Ridge to gain access to the main body of the lake. Folk's from other parts of the lake should be entirely avoiding this part of the lake.
5. The dredge will continue to operate in South Bay for the majority of the Summer 2016 boating season. Once completed with South Bay, the dredging schedule will be updated, as to how and when they will finish Wickline Island, O'Brien Shoals, and West Bay.
6. An inspection of the recent Strom Island plantings was done on Monday, July 11th. Despite the lack of rainfall, the plants seem to be doing well. However, if the dry spell continues, some volunteer help may be needed to help water plants. It was also noted that after the 4th of July holiday, the island was almost completely free of litter, with the exception of a bait container and some incinerated beer cans. If you bring things to the island(s), please take them with you when you leave.
7. The Nippersink Watershed Association has received word from IEPA that the Fed's have fully authorized the



funding for the pending Section 319 grant, which will allow a number of water quality projects beneficial to Wonder Lake to be implemented. I will be setting up meetings with the folks involved with the grant to discuss timing and logistics.

8. The exhibit below shows the approximate location and extent of the sediment pipeline and pipeline crossings for the summer of 2016. As always, lake user's need to be aware that the pipeline location and pipeline crossing conditions will frequently shift as dredging progresses.

Lake Manager's Report – September 2016

Randy Stowe, lakemanager@gmail.com

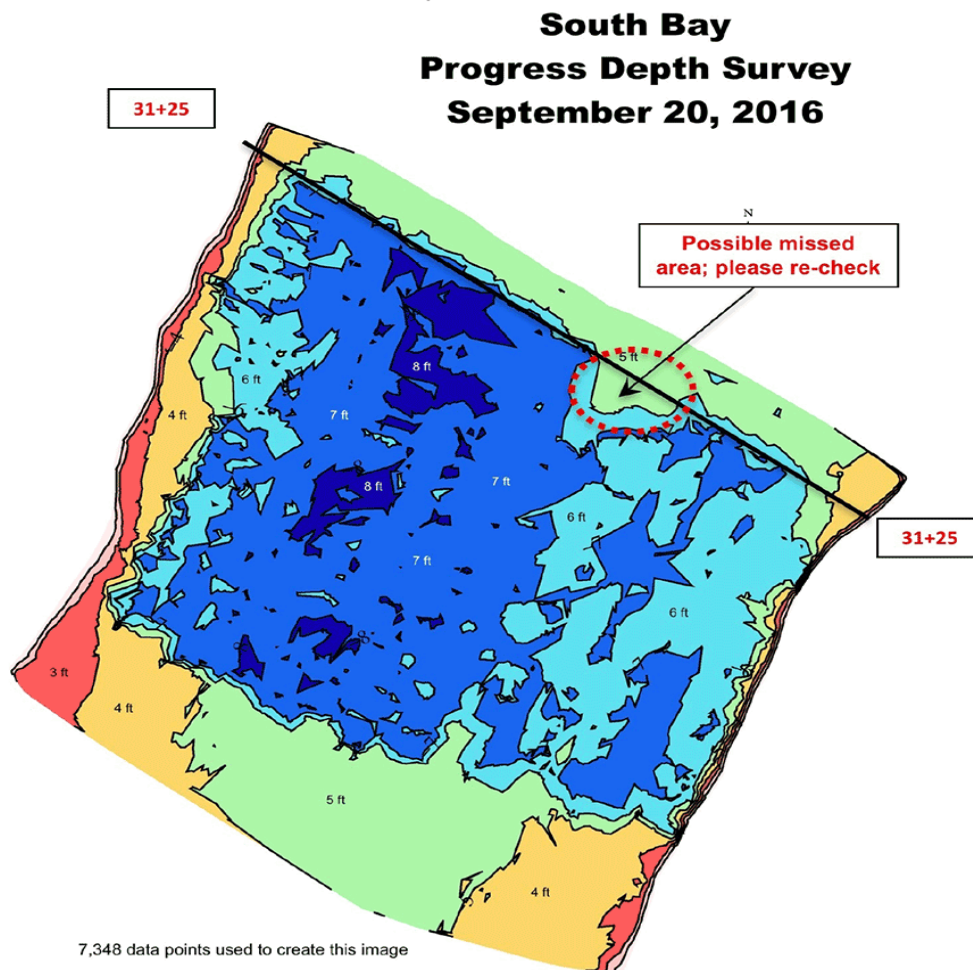
1. The MPOA initiated a “no-wake” zone in the southern part of South Bay, as displayed below and on the MPOA website. The northern edge of the no-wake area has been marked with buoys), but lake users are again reminded that the entire area of the lake south of that is now no-wake.
2. The no-wake condition also extends to any area within 100 feet of the dredge, anchor barges, booster pump, and pipeline. This no-wake condition will remain in place until dredging of South Bay has been completed.
3. The dredge will continue to operate in South Bay until roughly mid-October. Once boating traffic slows down after the Labor Day holiday, and piers are removed, the dredging contractor intends to complete the Wickline Island and O'Brien Shoals areas yet this year. Updated info will be posted to the MPOA website as it becomes available.
4. Water quality monitoring at the 13 Wonder Lake swimming beaches, conducted by the McHenry County Health Department, resulted in 28 events that resulted in beach closings or swim advisories during 2016. Each of these events was associated with a 0.75 inch or greater rainfall event. The 2016 events are fairly consistent with what has been experienced in prior years.
5. The Nippersink Watershed Association has received the contract for the current round of IEPA funding, and is currently working with WL and other watershed landowners on getting projects underway.



Lake Manager's Report – October 2016

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor will be moving out of South Bay MPOA by next week to work on completing the Wickline Island dredging before moving up to resume work on the O'Brien Shoals area. Any remaining Lake User's need to be aware of changing conditions related to the location of the dredge, anchor barges, booster pump, and sediment pipeline. Any remaining areas to be dredged will be completed in 2017.
2. Verification of sediment depths achieved by the dredging completed in the South Bay as of September 20th, 2016 was completed. This process determined that the dredging depths called for in the dredging plan are being achieved, as well as identified a small area that was missed, which is not an unusual occurrence.
3. On September 29th, 2016, at the request of the MPOA, an inspection was conducted by representatives of the IEPA and the McHenry-Lake Soil & Water Conservation District to determine if the MPOA dredging project is operating in compliance with its IEPA operating permit. IEPA is finalizing their report which confirms that the MPOA is in compliance, with only a couple of minor paperwork items pointed out related to the water quality samples being taken by the dredging contractor at the SDF outfall to Galt Creek
4. The Nippersink Watershed Association has received the contract for the current round of IEPA funding, and is currently working with WL and other watershed landowners on getting projects underway.



7,348 data points used to create this image

Survey area of 34 acres

Lake level 0 - 0.1 inches from normal pool

Contour lines set at 1 foot intervals

Not intended for navigational purposes

Lake Manager's Report - November 2016

Stowe, lakemanager@gmail.com

The MPOA dredging contractor has moved out of South Bay and has begun work at Wickline Island. As of the start of this week, they had completed the area northeast of Wickline Island (as shown in red below) and were moving around to work on the southeast and east side.

wickline island dredging plan

Upon completion of Wickline Island over the next week or so, the dredging crew will move north to resume the work on O'Brien Shoals area, working as long as weather allows this fall. Any remaining areas to be dredged under the existing contract will be completed in 2017.

Any remaining lake user's need to be aware of changing conditions related to the location of the dredge, anchor barges, booster pump, and sediment pipeline. Once dredging shuts down for the year, an updated map of where dredging equipment will be staged over the coming winter will be generated for the use of winter lake user's.

The annual inspection of the Wonder Lake Dam and the Wonder Lake SDF was conducted on October 13th. The inspection was conducted by the MPOA consulting engineers, and a representative of the Illinois Department of Natural Resources - Office of Water Resources (IDNR-OWR), with a number of interested MPOA members also in attendance. Both structures passed the inspection with no deficiencies noted. As required, the inspection reports will be submitted to IDNR-OWR.

The Wonder Lake Sportsman's Club is making plans to conduct an invasive brush-clearing project of Yacht Club Island over the coming winter, similar to what was accomplished on Strom Island over last winter. Volunteers will (as always) be welcome.

I met with a potential contractor for the pending shoreline stabilization of Strom and Yacht Club Islands, which is receiving IEPA Section 319 funding.

I met with an engineering firm to view pending Section 319 funded shoreline projects to allow the design and permitting phase to get underway.



WICKLINE ISLAND DREDGING PLAN

Lake Manager's Report – December 2016

Randy Stowe, lakemanager@gmail.com

After moving out of South Bay, the dredging contractor began work at Wickline Island, and was able to complete the areas shown in red below before having to shut down for the winter on November 22. Dredging this area took longer than expected due to encountering primarily clay lakebed, which clogs the dredge cutterhead, instead of the expected softer sediments.

To date, approximately 60% of the 469,238 cubic yards of sediment under contract to be removed from the lake have been dredged. The dredged sediment already deposited in the Sediment Drying Facility is consolidating well, such that surplus sediment storage capacity now exists beyond what is needed to complete the project.

For 2017, the dredging contractor plans to first finish Wickline Island and then O'Brien Shoals in the Spring of 2017. They will then move back into South Bay over the late spring / summer, and then complete the dredging remaining in West Bay. Barring any unforeseen circumstances, the dredging project should be successfully completed by the Fall of 2017.

All of the dredging pipeline has been moved to the northwest portion of West Bay or off-lake for the winter. Winter lake user's are strongly encouraged to avoid this portion of the lake. A map depicting the approximate winter 2016 / 2017 location of the dredge pipeline is found on the following page

Winter lake user's are also reminded of the presence of the rip-rap "collars" around Wickline Island and O'Brien Shoals, and that snowmobiles / ATV's are not allowed on the Wonder Lake Dam embankment.

The Wonder Lake Sportsman's Club is making plans to conduct an invasive brush-clearing project of Yacht Club Island over the coming winter, similar to what was accomplished on Strom Island over last winter. Volunteers will (as always) be welcome.

All of the lab results for the required groundwater and surface water monitoring conducted in 2016 have been forwarded to IEPA. These lab results confirm that the dredging project is operating in complete compliance with the water quality standards imposed by the IEPA water quality permit.



WICKLINE ISLAND DREDGING PLAN

MASTER PROPERTY OWNERS ASSOCIATION

Lake Manager's Reports 2017

Randy Stowe, lakemanager@gmail.com

Lake Manager's Report - January 2017

Randy Stowe, lakemanager@gmail.com

1. After the lake iced-up in December, a question arose as to the possible presence of dredging pipeline still extending across the main body of the lake. Further investigation determined that while the vast majority of the dredge pipeline had been removed from the lake, or was moved to the northwest area of West Bay, a section of pipeline at the summer 2016 pipeline crossing was still in place. This crossing location is still marked by "no-wake" buoys, and all sections of this pipeline segment are fully submerged below the ice / lake level. An updated exhibit is attached.
2. The dredging booster pump that was being used last summer at W. Wonder Lake Road has been temporarily re-located for the winter to the dredging staging area at Wonder Marine.
3. Winter lake users are again reminded of the presence of the rip-rap "collars" around Wickline Island and O'Brien Shoals, and that snowmobiles / ATV's are not allowed on the Wonder Lake Dam embankment.
4. The Wonder Lake Sportsman's Club is organizing an invasive brush-clearing project of Yacht Club Island, similar to what was accomplished on Strom Island over last winter. This work will help to set the stage for the up-coming island rip-rap project being funded in part by the Illinois EPA Section 319 grant. Volunteers will (as always) be welcome. The first project day will be this coming Saturday, January 14, 2017. Meet at White Oaks Bay at 9:00 am with lunch served at 12:00. The weather forecast calls for partly cloudy, a high of 30 degrees and light winds, so excuses for not helping out will not be accepted.
5. The 32nd Annual Illinois Lakes Management Association Conference, March 30 to April 1, 2017, to be held at the Crystal Lake Holiday Inn in Crystal Lake, IL is fast approaching. Given the proximity, this would be a great opportunity for WL folks to learn more about a wide variety of lake topics. For more details: <http://www.ilma-lakes.org/conference>
6. Those of you who have attended ILMA conferences in the past know there is a silent auction or bucket raffle each year, which always turns out to be a lot of fun. As always, donations for bucket raffle prizes are always welcome. 100% of the funds generated from the raffle go directly to support ILMA's scholarships, which benefit our next generation of environmental leaders. If you have something to donate, feel free to drop it off at the MPOA office.

Lake Manager's Report – February 2017

Randy Stowe, lakemanager@gmail.com

1. After the lake iced-up in December, a question arose as to the possible presence of dredging pipeline still extending across the main body of the lake. Further investigation determined that while the vast majority of the dredge pipeline had been removed from the lake, or was moved to the northwest area of West Bay, a section of pipeline at the summer 2016 pipeline crossing was still in place. This crossing location is still marked by “no-wake” buoys, and all sections of this pipeline segment are fully submerged below the ice / lake level. The dredging booster pump that was being used last summer at W. Wonder Lake Road has been temporarily re-located for the winter to the dredging staging area at Wonder Marine.
2. Winter lake users are again reminded of the presence of the rip-rap “collars” around Wickline Island and O'Brien Shoals, and that snowmobiles / ATV's are not allowed on the Wonder Lake Dam embankment.
3. The Wonder Lake Sportsman's Club conducted an invasive brush-clearing project of Yacht Club Island on January 14th, similar to what was accomplished on Strom Island over last winter. This work will help to set the stage for the up-coming island rip-rap project being funded in part by the Illinois EPA (IEPA) Section 319 grant. Another work day will be scheduled if safe ice conditions occur. Volunteers will (as always) be welcome.
4. After the last few months of uncertainty coming from Washington DC regarding the viability of approved Federal environmental grants, the IEPA has indicated that, until they hear otherwise, the current Section 319 grants for Wonder Lake shoreline and upstream watershed projects are still alive and kicking.
5. The 32nd Annual Illinois Lakes Management Association Conference, March 30 to April 1, 2017, to be held at the Crystal Lake Holiday Inn in Crystal Lake, IL is fast approaching. Given the proximity, this would be a great opportunity for WL folks to learn more about a wide variety of lake topics. For more details: <http://www.ilma-lakes.org/conference>.
6. The County and the Village recently adopted an Inter-Governmental Agreement (IGA), intended to clarify how permits for shoreline projects are to be handled. The MPOA attorney is currently reviewing the IGA, as it includes the MPOA in the approval process. Lakefront landowners should be aware that the ability to do any shoreline work without first securing the proper permits, and not getting caught, are pretty slim.
7. The lack of snow this winter, if not followed by spring rains, may have an effect on lake water levels later this year. Folks are reminded that real-time information from the Nippersink Creek stream gauge at Thompson Road can be viewed through a link at the bottom of the MPOA website under “Watershed Links”.

Chicago sees least amount of midwinter snow since 1900 – Tom Skilling

- We're more than three-quarters through the heart of winter — mid-December through mid-February — and Chicago has had an extremely rare midseason snow drought. The official Chicago observing site at O'Hare International Airport has recorded just 0.6 inches of snow since Dec. 19, making this the second least snowfall during that time period since snow records began here in 1884. The only time less snow fell during this midwinter period was 117 years ago, during the winter of 1899-1900, when just 0.3 inches of snow was recorded.

Lake Manager's Report – March 2017

Randy Stowe, lakemanager@gmail.com

1. The dredging contractor is making plans to re-mobilize for the 2017 dredging season around the first week of April. The working plan is to first complete the remaining dredging of O'Brien Shoals and Wickline Island, before moving to the South Bay prior to the Memorial Day Holiday, if not sooner. Obviously, the weather at this time of year is still a factor, as below freezing temperatures can be an issue with the pumps and equipment.
2. Lake user's need to be aware of rapidly changing lake conditions as the dredging contractor begins to re-deploy the sediment pipeline, booster pumps, and other dredging-related equipment. Avoiding those areas of the lake is the best bet, when possible.
3. As in past years, the closest the dredging will come to any shoreline in the dredging zones is 20 feet. If you are in those areas, and your pier extends no more than 20 feet from shore, you should be fine. If your pier is longer than 20 feet, it will need to be temporarily removed when the dredge gets to your area, or the extent of dredging conducted in that area will have to be reduced.
4. The County and the MPOA continue to discuss recently adopted an Inter-Governmental Agreement (IGA), intended to clarify how permits for shoreline projects are to be handled by the Village and the County.
5. On February 16, 2017, I was the keynote speaker at the annual meeting of the Illinois Association of Conservation Districts held at Starved Rock State Park. My presentation was focused on all of the activities being done by various Nippersink Watershed partners, including the MPOA and the Nippersink Watershed Association, to protect and enhance water quality.
6. On March 10, 2017, I gave a brief presentation at the 5th Fox River Summit in Burlington, Wisconsin, discussing the upcoming IEPA Section 319 funded watershed projects.
7. The 32nd Annual Illinois Lakes Management Association Conference, March 30 to April 1, 2017, to be held at the Crystal Lake Holiday Inn in Crystal Lake, IL is fast approaching. Given the proximity, this would be a great opportunity for WL folks to learn more about a wide variety of lake topics. For more details: <http://www.ilma-lakes.org/conference>.

Lake Manager's Report – April 2017

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor has re-mobilized, and is continuing to get the equipment and dredge pipeline ready for the start of the 2017 dredging season. Dredging is expected to get underway within the next week.

2. The dredging contractor has indicated that they will first resume work at Wickline Island first so that area can be fully completed. The area remaining to be dredged at Wickline Island is shown below:

3. When finished at Wickline, they will re-position to complete the areas still needing to be dredged at O'Brien Shoals, as shown below:

4. Lakefront landowners in proximity to the Wickline Islands and O'Brien Shoals dredging areas are asked to not install their piers until the dredging is complete in these areas, or the extent of dredging conducted in that area will have to be reduced.

5. Lake user's need to be aware of rapidly changing lake conditions as the dredging contractor begins to re-deploy the sediment pipeline, booster pumps, and other dredging-related equipment. Avoiding those areas of the lake is the best bet, when possible.

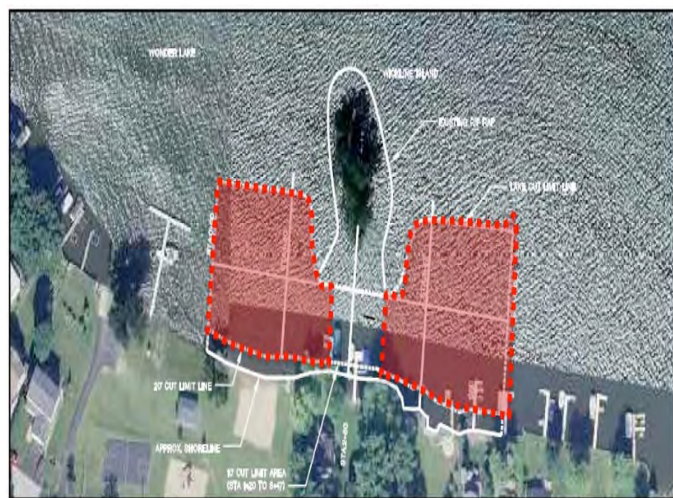
6. The 32nd Annual Illinois Lakes Management Association Conference was held at the Crystal Lake Holiday Inn in Crystal Lake on March 30 to April 1, 2017. A large number of Wonder Lake residents took advantage of this opportunity to learn more about a wide variety of lake topics, and meet other lake user's from across Illinois.

7. I am participating in a five week water quality monitoring project, with sampling supplies provided free of cost by, of all places, the Nebraska Watershed Network. Their intent was originally to do this sampling throughout the entire Mississippi River watershed, but the interest from Illinois was so high, they refocused their scope to only include. Testing will include sampling for atrazine, nitrate/nitrites and phosphate.

8. I am attaching a copy of an article from today's Chicago Tribune, discussing water quality issues resulting from the wide-spread use of salt as a de-icing agent.



WICKLINE ISLAND DREDGING PLAN



WICKLINE ISLAND DREDGING PLAN

Road salt drives salinization of lakes

Researchers express alarm about human health, ecosystems

By BEN GUARINO

The Washington Post

In the 1940s, Americans found a new way to love salt. Not simply for sprinkling on food — we'd acquired a taste for the mineral long before that — but for spreading on roads and sidewalks. Salt became a go-to method to de-ice frozen pavement.

During the past half-century, annual U.S. sales of road salt grew from 160,000 tons to about 20 million tons, as a group of environmental scientists pointed out in a study published Monday in the Proceedings of the National Academy of the Sciences. Salt kept roads free from slippery ice, but it also changed the nature of North America's freshwater lakes. Of 371 lakes reviewed in the new study, 44 percent showed signs of long-term salinization.

Extrapolating that finding for all of North America, at least 7,770 lakes are at risk of elevated salt levels — a likely underestimate, the researchers said.

Their's is the first study of freshwater lakes on a continental scope. "No one has tried to understand the scale of this problem across the conti-



HAROLD E. MALDE/THE NATURE CONSERVANCY 1996

Researchers from Frostburg State University study the effects of road salt on aquatic life in a Maryland stream.

nent in the Northeast and Midwest, where people apply road salt," said study co-author Hilary Dugan, a University of Wisconsin freshwater expert.

No federal body tracks how much salt gets spread on our roadways or makes its way into our lakes. So the researchers gathered a vast number of data sets, produced by states, municipalities and universities. The study was the product of several "big, nasty, hairy heterogeneous databases," as co-author Kathleen Weathers, an ecologist at the Cary Institute of Ecosystem Studies in New York, described it.

Each lake in the report had chloride measurements going back 10 years or more, was at least four hectares in size (about nine

football fields or larger) and was in a state that regularly salted its roads during winter. The study authors also analyzed what percentage of the lake was surrounded by an impervious surface. This could be any combination of roadways, sidewalk pavement, boat launches or other hard surfaces.

Impervious surfaces, critically, allow dissolved salt to slide into lakes rather than soaking into soil. If at least 1 percent of the surface circling a lake was impervious, the lake was at risk of high chloride concentrations, the environmental scientists found.

Across all lakes, chloride concentrations ranged from 0.18 to 240 milligrams per liter, with a median of 6 milligrams per liter. (Seawater, by contrast, is much

saltier — an average of about 35 grams per liter.) The Environmental Protection Agency recommends that salt in drinking water exceed no more than 250 milligrams per liter, at which point water tastes salty.

The scientists could not directly measure how much of the chloride came from road salt. But previous research indicated that agriculture, water softeners and other sources played only minimal roles. "Road salt is the major driver for chloride loading," Dugan said.

Environmental scientists had previously observed rising salt levels in the nation's rivers and streams. "These trends have been going on for decades," said Sujay Kaushal, an ecologist at the University of Maryland who was not involved in the new study. Kaushal has assessed freshwater streams that have wintertime salt concentrations up to 40 percent higher than seawater. Saltwater plants now grow in some of these streams.

Lakes are generally less susceptible than streams to changes like salinization. They may also serve as sources of drinking water.

James Gibbs, a conservation biologist at the State University of New York who was not affiliated with the new research, said that combining the lake data

sets must have amounted to a "herculean effort."

Gibbs has studied roadside pools and springs where amphibians lay their eggs and observed a "pretty high reduction in survival rates" of eggs and young in pools contaminated with road salt. Few amphibians live in large lakes, he noted. ("Lakes mean fish, and fish are bad news for amphibians.") But he and other environmentalists are concerned that exotic species, better suited for brackish water or tolerating chloride, will move into saltier lakes.

If current trends continue through 2050, 14 of the lakes studied would exceed the EPA's "aquatic life criterion concentration" of 230 milligrams per liter; the study authors predict. Another 47 would have a chloride concentration above 100 milligrams per liter. "Right now it's about ecosystems and biota," Gibbs said, meaning animal and plant life. "It is kind of alarming. Ultimately, we're looking at a human health issue."

The average water treatment system will not remove dissolved elements such as chloride ions from water. "You can't filter out these salts," Kaushal said.

Increased salt in drinking water poses health problems to humans who have kidney trouble, use dialysis or have hypertension.

Lake Manager's Report – May 2017

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor has re-mobilized, and based on field observations today, it would appear that the Wickline Island dredging should now be complete.

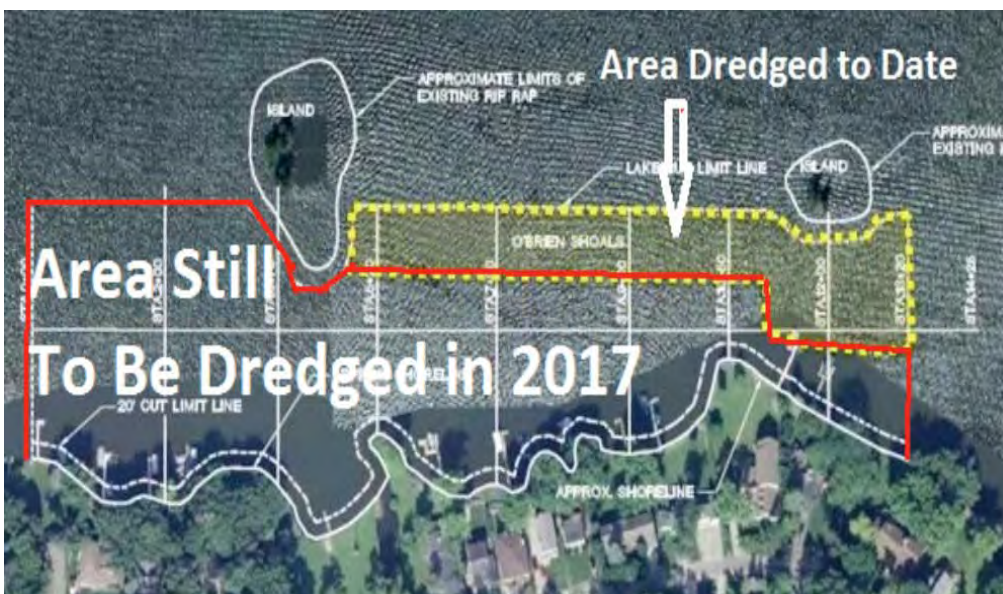
2. Over the next few days, they will re-position to complete the areas still needing to be dredged at O'Brien Shoals, as shown below. Based on the current position of the sediment pipeline, they plan to work from south to north. They will be at O'Brien Shoals for the remainder of May, and possibly longer, depending on the type of lakebed material they encounter, before moving down to South Bay. The MPOA will post additional info on the MPOA website as we receive it.

Dredged areas in 2017

3. Lakefront landowners in proximity to O'Brien Shoals dredging areas are asked to not install their piers if they extend more than 20 feet from shore until the dredging is complete in that area or the extent of dredging conducted in that area will have to be reduced.

4. Lake users need to be aware of rapidly changing lake conditions as the dredging contractor will be re-positioning the sediment pipeline, booster pumps, and other dredging-related equipment as they progress. Avoiding those areas of the lake is the best bet, when possible. The dredging contractor has placed additional weights on the sediment pipeline at the designated crossing point (which will hopefully minimize the rise and fall of the pipeline) and has added red marker lights on top of the "no-wake" buoys on either side of the crossing point. As in the past, only use this crossing point at the mid-point at a no-wake speed, utilizing your tilt mode if applicable.

5. I have been participating in a five week water quality monitoring project. I take a Nippersink Creek water sample at Thompson Road every Wednesday and use testing strips to identify the levels of atrazine and simazine (pesticides) and nitrate/nitrites and phosphate (nutrients). No elevated levels of any of nitrate/nitrites or phosphate have been detected to date, and no atrazine or simazine has been detected at all.



6. There have been concerns raised about the number of cormorant's present on Wonder Lake, and the potential impacts of them roosting on the various islands. If present in sufficient quantities, the "droppings" from cormorant's roosting in trees can actually eventually kill off those trees. This is a particular concern on Strom Island, where the survival of large oak trees and on-going restoration efforts could be threatened. Dennis Gallo and I met with an IDNR Wildlife Biologist today to de-

termine what options exist to discourage cormorants, and minimize adverse impacts. We will continue to work with IDNR to develop a management plan.

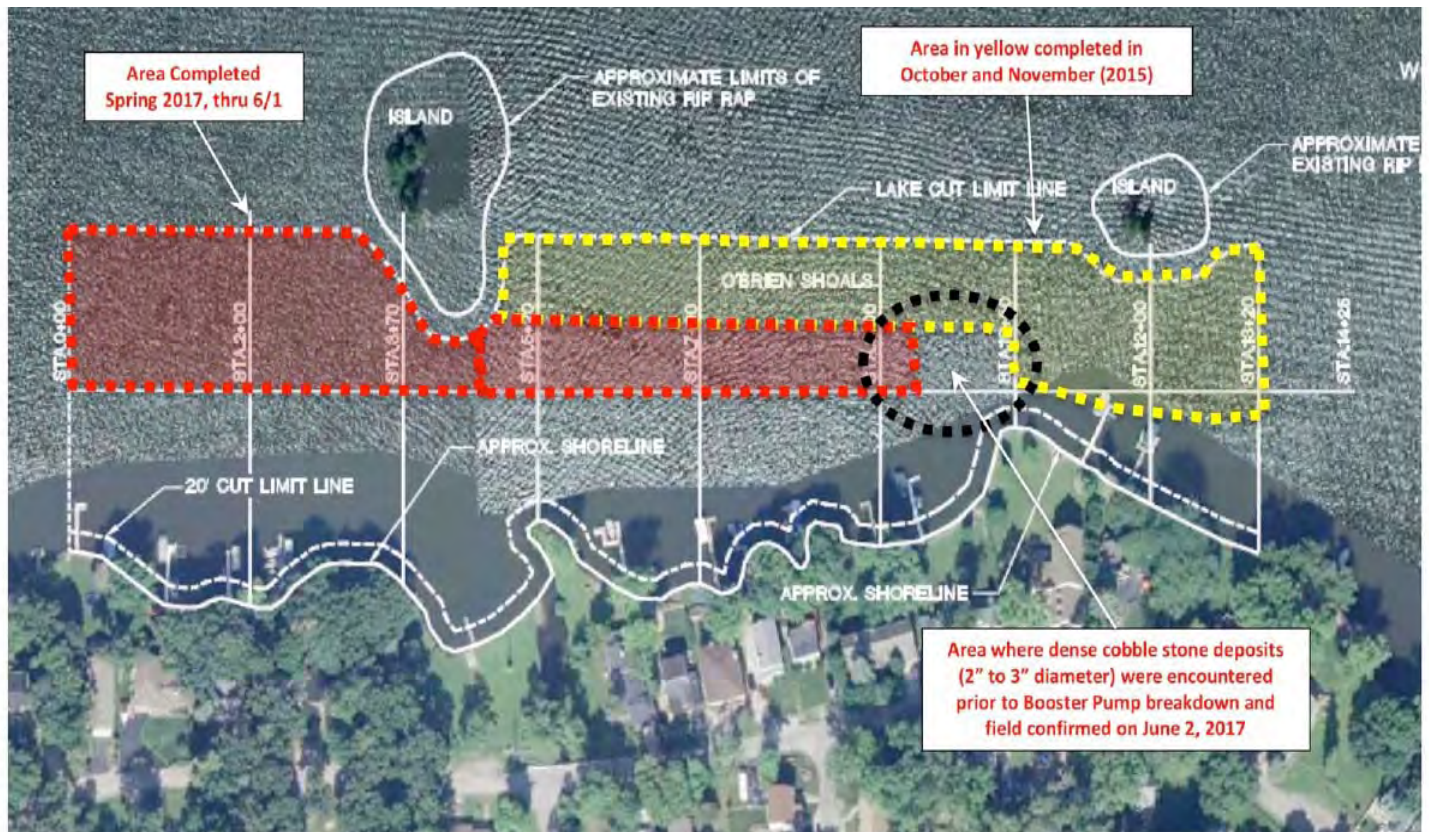
7. We continue to move forward with the IEPA Section 319 grant projects, including the MPOA's pending project to install shoreline protection around Strom and Yacht Club Islands. We have already received the County Stormwater permit, and will be meeting with the U.S. Army Corps next week to review the application that has been submitted to them. It is hoped that this project can be completed in 2017. Additional 319-funded projects are also being pursued with individual landowners around Wonder Lake as well.

Lake Manager's Report – June 2017

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor re-mobilized and completed Wickline Island. They then re-positioned and began dredging at O'Brien Shoals. They were able to complete the area shown in red below, before encountering thick deposits of rock "cobble", ranging from golf-ball to tennis-ball size. The dredging of this cobble caused the larger on-shore booster pump to break down, leading to a dredging work stoppage of approximately 11 days until a replacement booster pump could be located and brought in.

2. A June 2nd site visit by the MPOA dredging consultant and dredging contractor, and subsequent field investigations by the dredging contractor, determined that similar cobble deposits are present throughout the remaining areas to be dredged at O'Brien Shoals. Since then, the MPOA dredging consultant and dredging contractor continue to have on-going discussions on how to complete the remaining areas at O'Brien Shoals. In the interim, the dredge has moved back into South Bay so that dredging work could resume. Until an alternative is developed, lakefront landowners in proximity to O'Brien Shoals dredging areas can install their piers, and the MPOA has re-installed appropriate buoys at the typical O'Brien Shoals locations, as needed. The MPOA will post additional info on the MPOA website as we receive it.

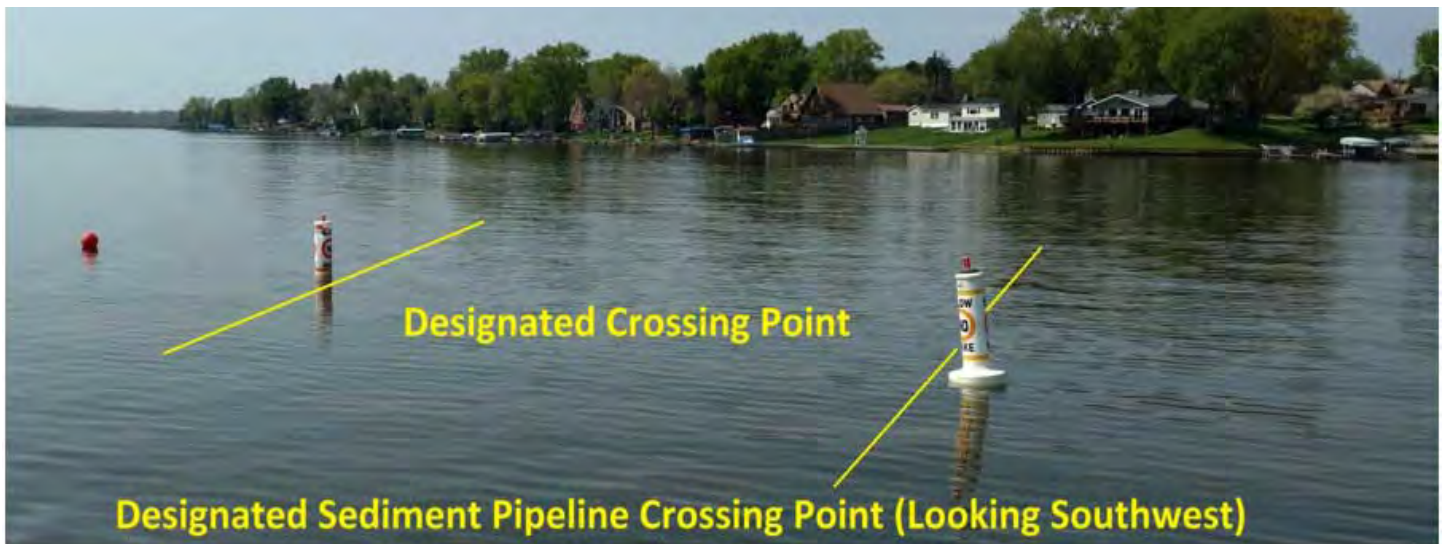


3. We continue to move forward with the IEPA Section 319 grant projects, including the MPOA's project to install shoreline protection around Strom and Yacht Club Islands. We have received the County and Army Corps permits, and it is planned to complete this project in Fall 2017. Additional 319-funded projects are also being pursued with individual landowners around Wonder Lake as well.

4. The on-going effort to discourage Cormorants from congregating on Strom Island seems to be working well.

5. Lake users need to be aware of changed lake bed conditions where dredging has already occurred, particularly near swimming beaches, or other shallow areas. Deeper areas, with drop-offs many now exists that were not previously present.

6. Lake users need to be aware of rapidly changing lake surface conditions as the dredging contractor will be re-positioning the sediment pipeline, booster pumps, and other dredging-related equipment as they progress. Avoiding those areas of the lake is the best bet, when possible. The dredging contractor has placed additional weights on the sediment pipeline at the designated crossing point (which will hopefully minimize the rise and fall of the pipeline) and has added red marker lights on top of the "no-wake" buoys on either side of the crossing point. As in the past, only use this crossing point at the mid-point at a no-wake speed, utilizing your tilt mode if applicable.



2017 Dredging Status (June 13, 2017)

Note: Dredging continues in South Bay as of June 13, 2017 in location shown below; dredge will move from west to east and then continue to south until completion of South bay dredging area. All of South Bay is designated as "No-Wake", and no-wake boating is required at all times when within close proximity of dredging areas and dredge pipeline.



Lake Manager's Report – July 2017

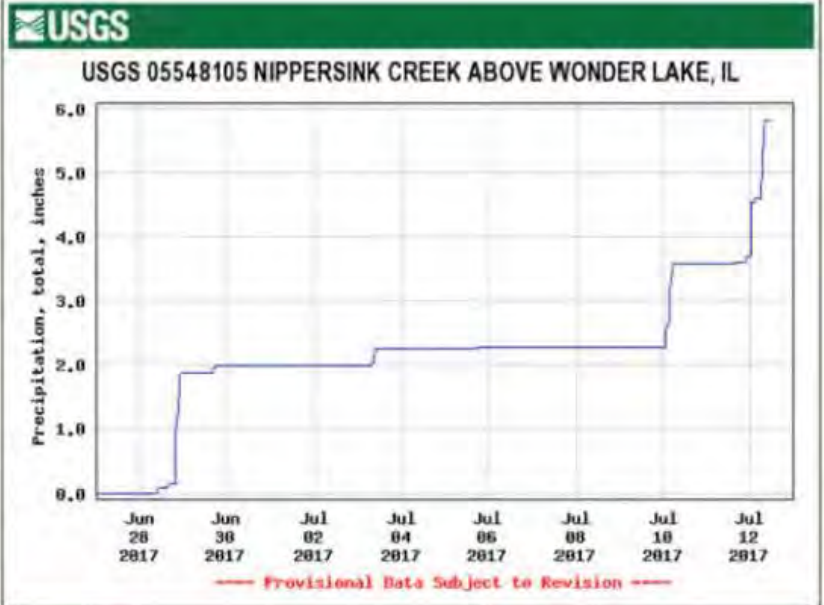
Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor resumed dredging after replacing the damaged booster pump, and continues to move farther into South Bay.
2. The MPOA dredging consultant is continuing to look into possible alternative dredging options to allow the remaining areas at O'Brien Shoals to be completed. Lake users should avoid the area between O'Brien Shoals and the east shoreline, as well as the Troy Creek inlet at Deep Springs Wood Country beach.
3. Lake users are again reminded that the Nippersink Creek Inlet and entire South Bay have been designated as "No-Wake" areas, and marked with No-Wake buoys. Lake users are also reminded that MPOA decals MUST be permanently affixed to the watercraft it is registered to. The Wonder Lake Marine Patrol has been issuing tickets for No-Wake and decal violations.
4. Due to recent heavy rainfall events, the MPOA has had to impose a "No-Wake" restriction on the lake twice in the last two weeks; first on June 29th, and again today. A "No-Wake" restriction is required when large rainfall events occur. This is because woody debris can wash into the lake, posing potential boating hazards. Wakes generated at high lake levels can also cause damage to shorelines, docks, and moored watercraft. Lake users should also remember that heavy rainfall events are also the most common reason for swimming beach closures, based on water sampling conducted by the McHenry County Health Department.
5. In addition to direct observation of the lake during high water events, the MPOA also monitors the stream gage on Nippersink Creek at Thompson Road. This stream gage, operated and maintained by the United States Geological Survey (USGS) under a cost-share agreement between the MPOA and McHenry County, provides real-time information of Nippersink stream conditions on the internet. There is a link to the USGS website on the MPOA website homepage.
6. The USGS gage measures rainfall amount, stream flow (discharge), and the elevation (stage) of Nippersink Creek at Thompson Road. If there is significant rainfall in the Nippersink Creek watershed upstream of the gage, the volume of flow moving down the creek towards Wonder Lake will increase. The flow is measured in cubic feet per second (cfs), meaning how many cubic feet of water is moving past the stream gage each second.
7. As the stream discharge increases, the water surface will also rise. While none of these measured parameters represent exactly what is happening on Wonder Lake itself, we do know that if there is a heavy rainfall, and we see the discharge and stage of Nippersink Creek increase, we will see higher water levels on Wonder Lake. When we see the stream discharge begin to decrease, we know lake levels will also begin to fall, barring any new rain events.
8. The following graphs from the USGS website depict the Nippersink stream condition's leading up to the June 29th high water event, and the high water event currently on-going. Since June 28th, the stream gage recorded almost six (6) inches of rainfall; had flow volumes of over 400 cfs on June 29th, and almost 600 cfs today; causing the stream level to rise 1.5 feet on June 29th, and over 2 feet today. The discharge exhibit also shows a series of small triangles, depicting what the average stream discharge has been each day over the last 13 years. Over the two week period represented in the exhibit, the average daily streamflows ranged from 30 to 60 cfs.

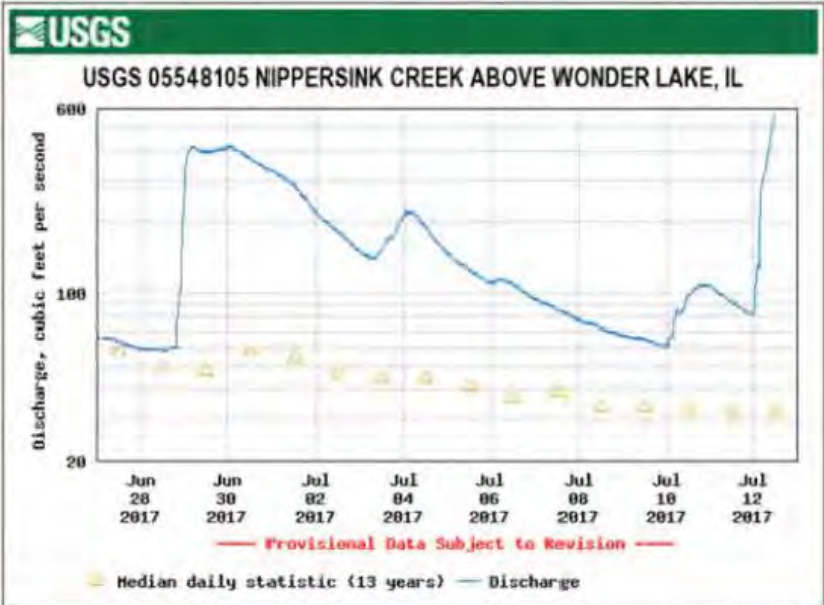
NIPPERSINK CREEK

June 28th – July 12th, 2017

RAINFALL



CREEK DISCHARGE - CUBIC FEET PER SECOND (CFS)



CREEK STAGE

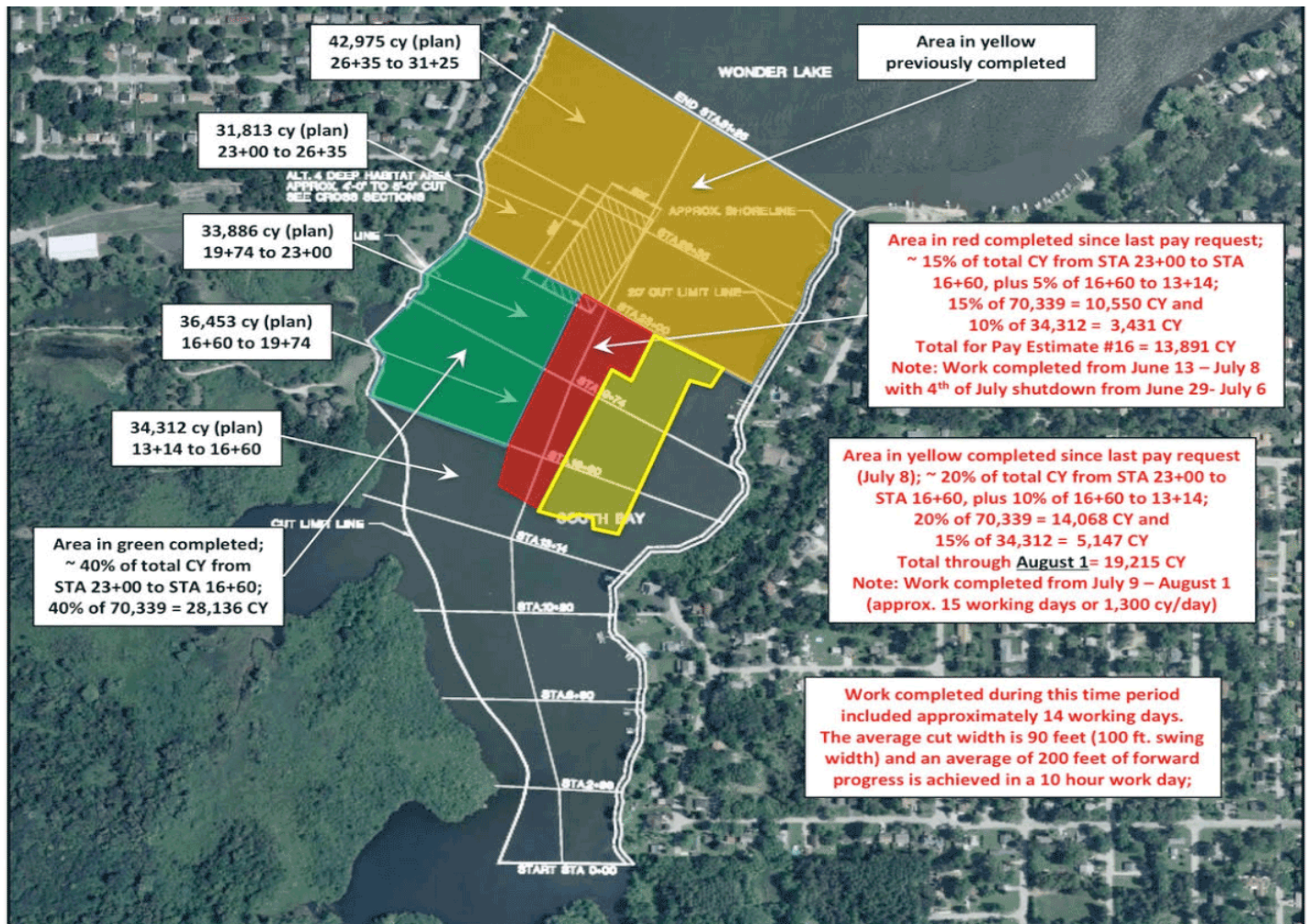


<https://tinyurl.com/y8vezzhl>

Lake Manager's Report – August 2017

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor continues to move farther into South Bay. They are planning to add an additional dredging shift to increase production.
2. The dredging contractor is planning to continue dredging South Bay until complete or the end of September (whichever comes first). At that point, they will resume work at O'Brien Shoals.
3. Lake users should continue to avoid the area between O'Brien Shoals and the east shoreline, as well as the Troy Creek inlet at Deep Springs Wood Country beach.
4. Lake users are again reminded that the Nippersink Creek Inlet and entire South Bay have been designated as "No-Wake" areas, and marked with No-Wake buoys. Lake users are also reminded that MPOA decals MUST be permanently affixed to the watercraft it is registered to. The Wonder Lake Marine Patrol has been issuing tickets for No-Wake and decal violations.
5. In last month's report, I briefly discussed the factors that the MPOA considers when deciding whether a "No-Wake" or "Lake Closure" is warranted due to heavy rainfall or other events. The following article provides a good summary of how other lake managers have to make similar decisions.



Lake Manager's Report - September 2017

Randy Stowe, lakemanager@gmail.com

The MPOA dredging contractor continues to move farther into South Bay. They have added an additional dredging shift to increase production. The exhibit below shows their progress up to August 11th. dredging sediment

The dredging contractor is planning to continue dredging South Bay until complete or the beginning of October (whichever comes first). At that point, they will resume work at O'Brien Shoals, and then move back into West Bay. As part of their contract, the dredging contractor will be bringing in a specialized surveyor to confirm that the dredging quantities called for in their contract have been achieved.

Lake users should continue to avoid the area between O'Brien Shoals and the east shoreline, as well as the Troy Creek inlet at Deep Springs Wood Country beach.

Lake users are again reminded that the Nippersink Creek Inlet and entire South Bay have been designated as "No-Wake" areas, and marked with No-Wake buoys. Lake users are also reminded that MPOA decals MUST be permanently affixed to the watercraft it is registered to. The Wonder Lake Marine Patrol has been issuing tickets for No-Wake and decal violations.

I am attaching an article from a Wisconsin publication called "Lake Tides". It does a great job of describing issues lake management associations across the Midwest are experiencing.

Lake Manager's Report - October 2017

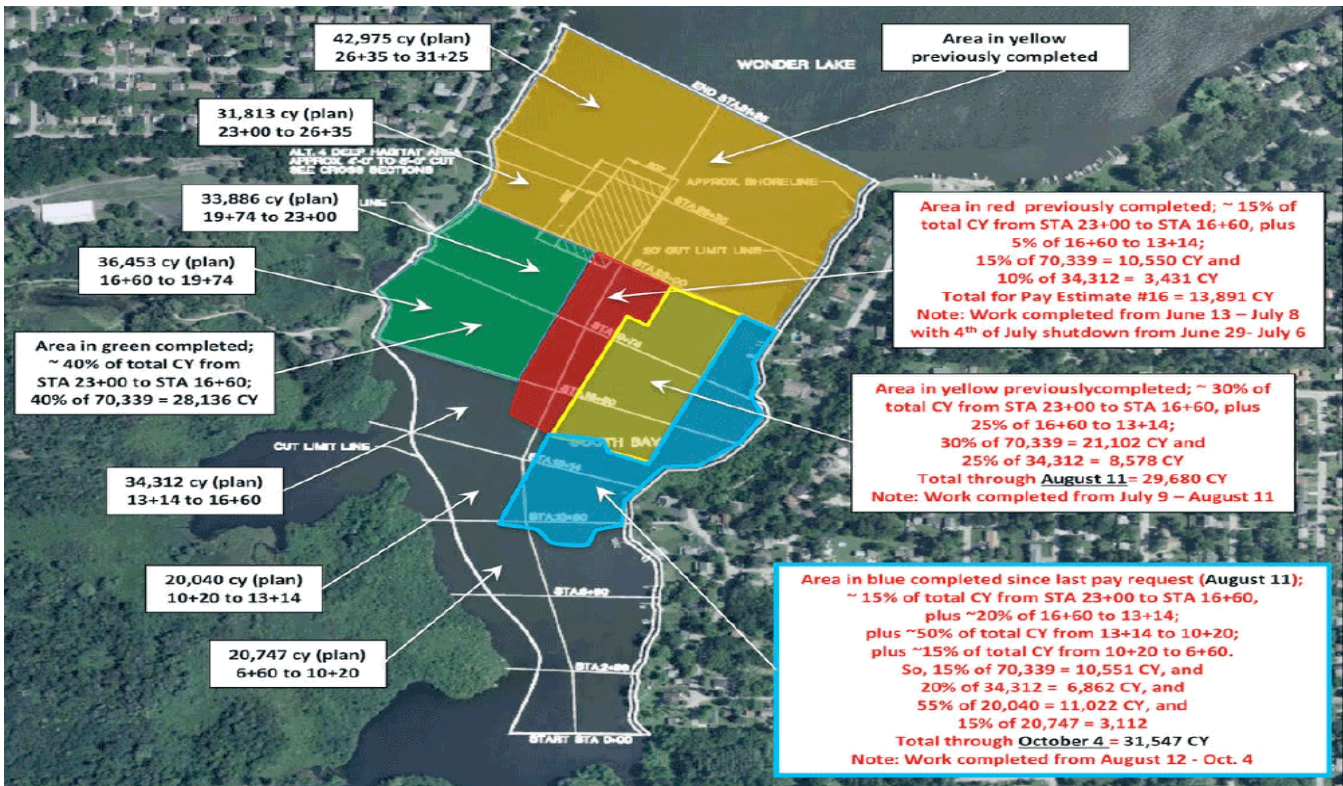
Randy Stowe, lakemanager@gmail.com

The MPOA dredging contractor continues to move farther into South Bay. The exhibit below shows their progress up to October 4th, 2017. To date, approximately 178,000 cubic yards of sediment have been dredged from South Bay, out of the 247,000 cubic yards under contract. Depending on how the weather cooperates this fall, the MPOA dredging consultant estimates that it is still possible that South Bay may be completed by the end of this dredging season. In order to do so, the dredging contractor will be conducting expanded shifts, so everyone's continued cooperation is greatly appreciated.

exhibit 1 10-4-17

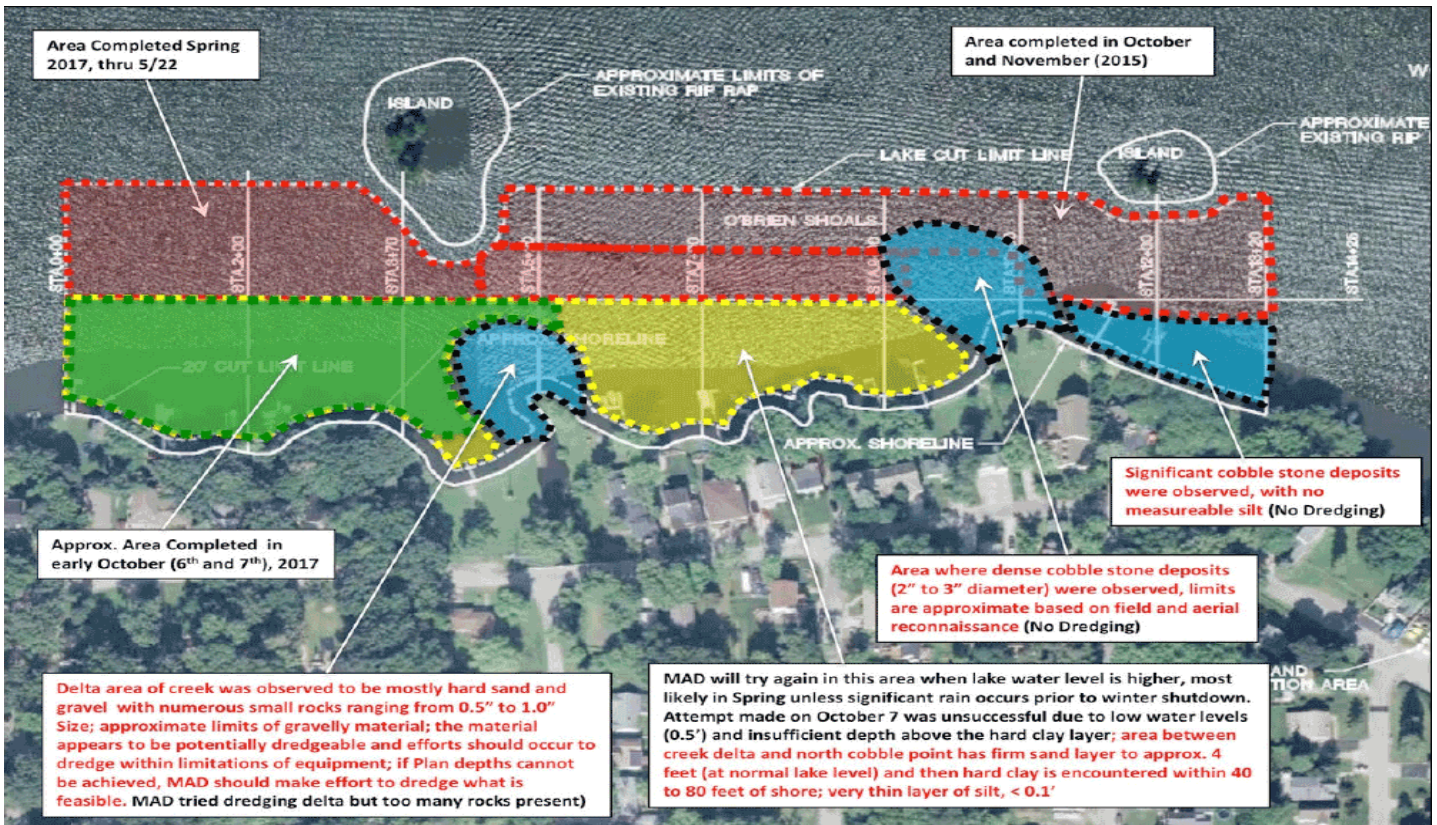
The dredging contract payouts are based strictly on a cubic yard volume basis, which to date have been based on GPS mapping conducted from the dredge, and reviewed by the MPOA dredging consultant. In addition, a post-dredging survey is required to be conducted by a specialized surveyor as part of the contract with the MPOA. The surveyor was out in early October to begin measuring and documenting the actual dredging volumes achieved to date.

The dredging contractor relocated to O'Brien Shoals (OBS) in early October to attempt additional dredging of OBS areas previously found to be comprised of rocky cobble. They were able to complete much of the remaining OBS area under contract, located south of where Troy Creek flows into the lake (shown in green). Dredge access to the "middle" shoreline area at OBS (shown in yellow) was limited to the lake being low from the recent dry spell, but will be re-attempted when water levels come back up. At this time, it is still uncertain as to what will happen to the rocky areas shown in blue.



All MPOA buoys have been removed for the season. Late season boaters will need to use caution when operating near known shallow water areas, as well as anywhere in proximity of the dredge and sediment pipeline.

The annual inspection of the Wonder Lake Dam, and the Wonder Lake SDF, conducted by the MPOA consulting engineers, will be conducted on Friday, October 13th.



Lake Manager's Report – November 2017

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor continues to move farther into South Bay. The exhibit below shows their progress up to November 7th, 2017. To date, approximately 210,360 cubic yards of sediment have been dredged from South Bay, out of the 247,000 cubic yards under contract.

Lake Stauts by November 2017

2. A review of preliminary survey data by the MPOA dredging consultant suggests that the dredging contractor has actually dredged South Bay 0.75 feet deeper than what is called for in the project plans / contract. The MPOA is only required to pay for dredging to the design depth in the plans / contract, so South Bay will be slightly deeper, at no cost to the MPOA.

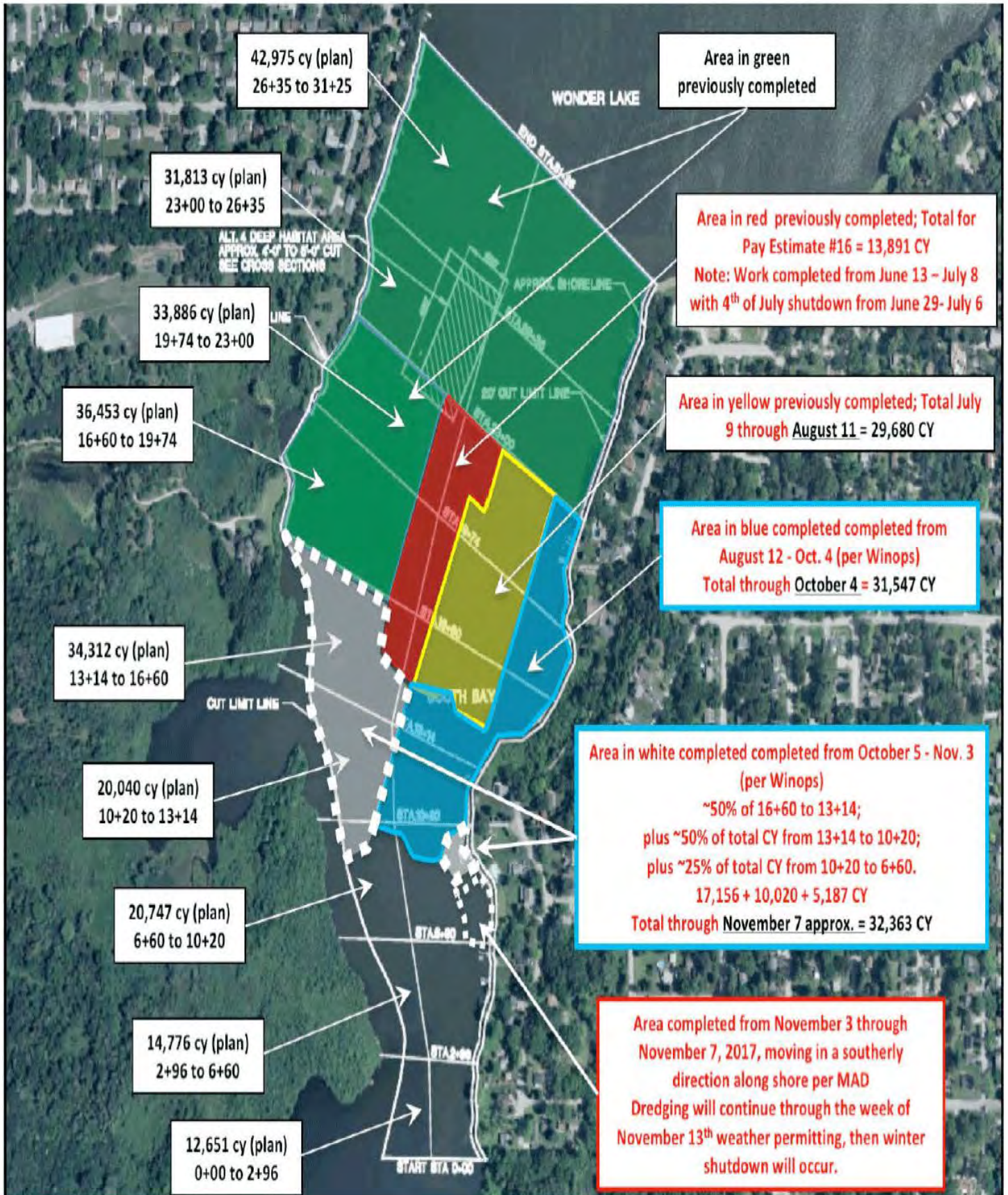
3. Based on the current weather forecast, the plan is for the dredging contractor to their begin winter shutdown during the week of November 13th. The dredge will be removed from Wonder Lake over the winter for servicing / maintenance, but will return in Spring 2018. It is hoped to get South Bay and the remaining areas at O'Brien Shoals completed as early as feasible in 2018, so that the remaining areas to be dredged in West Bay will be off the main body of the lake.

4. The annual inspection of the Wonder Lake Dam, and the Wonder Lake SDF, was conducted by the MPOA consulting engineers was conducted on Friday, October 13th. No issues were raised by the MPOA or State engineers who participated.

5. On November 3rd, I made a presentation near Port Washington, Wisconsin on the efforts of the Nippersink Watershed Association to protect the water quality of Nippersink Creek and Wonder Lake.

6. I was invited by the Illinois Environmental Protection Agency to make a presentation in Springfield on November 30th, about how to successfully apply for Section 319 grants. To date, the Nippersink Watershed has received over \$ 2 million in Section 319 water quality grants, matched against an additional \$1.3 million in local cost-share funding to implement watershed implementation projects that help protect and enhance Nippersink Creek and Wonder Lake.

7. Two Section 319 funded projects were implemented in the Nippersink Creek Watershed above Wonder Lake this fall. Both projects included streambank stabilization to reduce erosion, as well as the planting of native species as riparian buffers. As part of these projects, approximately 80 acres of Nippersink Creek stream corridor above Wonder Lake are now permanently protected.



Lake Manager's Report – December 2017

Randy Stowe, lakemanager@gmail.com

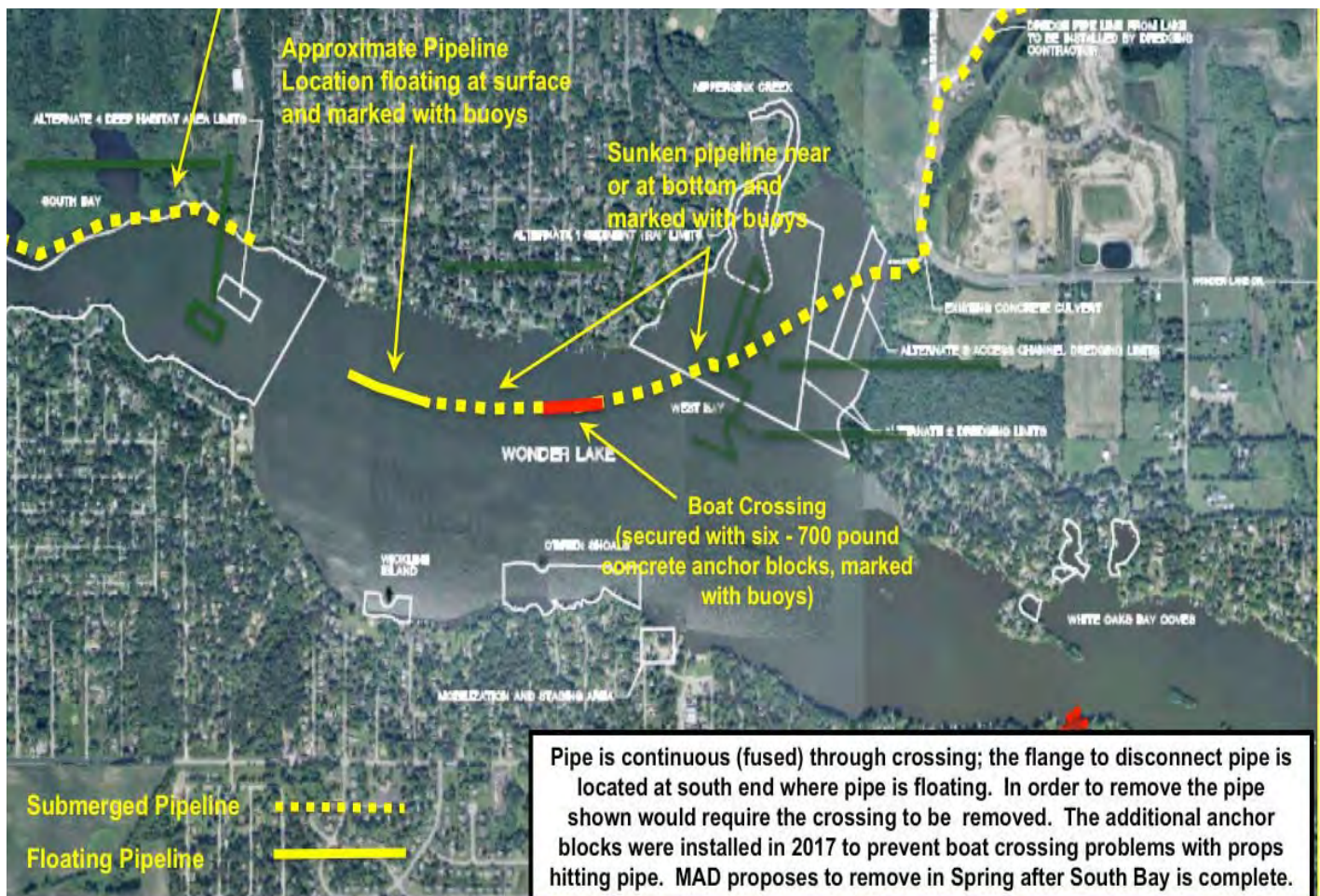
1. The MPOA dredging contractor has shut down for the winter. All of the in-lake sediment pipeline in West Bay and through the designated boating season pipeline crossing has been “sunk” for the winter. South of the designated crossing, a portion of the pipeline is floating at the surface and has been marked by buoys. The remaining pipeline south of that point has been detached and moved into the southern part of South Bay, and secured against the west shoreline.

2. Any winter lake user should use extreme caution when in the vicinity of the floating pipeline (as shown below), roughly between Wickline Islands on the east and the Highland Shores beach on the west. Winter lake users are also reminded of the presence of the rip-rap “collars” around Wickline Island and O’Brien Shoals.

Winter pipeline position

3. The dredge will be removed from Wonder Lake over the winter for servicing / maintenance, but will return in Spring 2018. It is hoped to get South Bay and the remaining areas at O’Brien Shoals completed as early as feasible in 2018, so that the remaining areas to be dredged in West Bay will be off the main body of the lake.

4. The water samples from last groundwater monitoring event of the year, as mandated by our IEPA dredging permit, were delivered to the state-approved testing lab on December 4th. The most recent lab results are not back yet, but none of the IEPA groundwater testing done to date, since the start of the dredging, have indicated any issues related to groundwater quality or compliance with our IEPA permit.





Wetter Summer Weather Yields Water Woes

By Eric Olson, Director, UW-Extension Lakes

Summer 2017 is shaping up to be extraordinarily wet for Wisconsin, with some portions of the state seeing over two times their normal summertime rain totals. In early July, southeastern Wisconsin experienced nearly a foot of rain in one 24-hour period, causing riverway flooding and requiring boating restrictions on numerous lakes. Wet summer weather often leads to poor lake water clarity and algal blooms. To understand why that's the case, we need to look closer at what influences water quality, how watersheds function, and the impacts of land use change on runoff.

M

ost of our concern with lake water quality focuses on how clear the water appears. Volunteers and professionals collect Secchi disc measurements to allow us to track clarity over time and across different water bodies. Researchers can compare measured clarity with water samples to understand why clarity varies over time and across lakes. The amount of suspended algae and sediment in the water is often the main determinant of how clear the water appears.

Abnormally wet summer weather will increase the amounts of sediment, nutrients and algae found in a typical lake. Additionally, blue green algae blooms are more common in warm, nutrient rich (eutrophic) bodies of water. Runoff from hot summertime rains provide the perfect fuel for algal blooms, but it's not the rainwater by itself that's driving change.

Rainwater alone is relatively nutrient poor, but once it makes contact with the ground and becomes stormwater runoff, it picks up a range of sediment particles and delivers them to

(Continued on page 2)



Jake Vander Zanden

Fish and other aquatic animals were directly effected by low oxygen levels from a blue-green algae bloom on Lake Mendota, brought on by this summer's mid-June heavy rains.

Learn more about Lake Mendota's recent blue-green algae bloom and the science behind lake health: <http://blog.limnology.wisc.edu/madison-in-bloom-blue-green-algae-hits-lake-mendota/>

Volume 42, No. 3 Summer/Fall 2017

Wisconsin Lakes Partnership

(Wetter Summer Weather, continued)

Impervious surfaces are hard, man-made surfaces such as rooftops, driveways, roads, parking areas and patios where rain and melting snow can no longer soak into the ground.

Lynn Markham from the Center for Land Use Education has produced a short online video exploring the impacts of impervious surfaces on water: <https://youtu.be/UPjPnaGNB1c>

The City of Milwaukee is estimated to be 46% covered with impervious surfaces.

Madison Area Municipal Stormwater Partnership and the Dane County Land & Water Resources Department have collaborated to create "Ripple Effects," an online clearinghouse for rain garden, rain barrel and yard care to protect lakes and streams: <http://www.ripple-effects.com/>

streams, rivers, and lakes. In any single rain event, there is a direct relationship between the amount of rain, the volume of runoff, and the capacity of that runoff to carry larger and larger particles. We observe this on exposed soils whenever runoff is heavy enough to create rivulets or even gullies. The volume of runoff reaching a river or lake is closely related to the land use and percent of a watershed covered by impervious surfaces.

Wisconsin's watersheds mostly lacked impervious surfaces (except places with exposed bedrock). The topography of the land surrounding lakes was complex and uneven, with decaying logs and myriad holes from places where trees had blown down from hundreds of years of storms. This situation was ideal for lake clarity, since most runoff would be slowed down and would soak into the ground before reaching open water.

Today's landscape around lakes provides a stark contrast to the pre-settlement era. With tractors and bulldozers, humans leveled out the land and removed many low spots where rain once collected and soaked into the ground. The amount of impervious surface has dramatically increased through buildings, roads and parking lots. Beyond impervious surfaces, lawns, ditches and swales present a landscape that is intentionally designed to quickly move water away. Along roads and highways, for example, engineers require that water not be allowed to collect and soak into the ground as it would potentially reduce the lifespan of the road itself. Gutters and storm sewers are designed to efficiently get stormwater away from development and into streams, ponds, rivers and lakes.

The same logic is found on farmland, where too much standing water can reduce yield or

even drown crops. Over time, plowing and tilling farmland has smoothed out the land to reduce the amount of land where water gathers and slowly soaks into the ground. Subsurface tile drains and ditches help move water away from farmland. In both farmland and cities, wetland areas that once slowed the movement of water are drastically reduced from what they were 150 years ago.

This modified landscape produces predictable results when heavy summer rains occur: massive amounts of water move fast across the land and quickly fill in low areas. The stormwater carries more sediments and nutrients, eventually depositing them into rivers and lakes. The potent water comes into lakes at or near the surface, and in summer the lake is already stratified with warm water at the top, so the new polluted runoff tends to stay near the surface. If lake levels increase from stormwater, waves at the shoreline can re-suspend nutrient rich sediments that tend to accumulate above the ordinary high water mark. Add a long period of daytime sunshine and warm air over the lake surface and you'll find a perfect condition for blue-green algae blooms.

This was the exact scenario that played out in Lake Mendota in Madison on June 16 of this year. The area had just received five days of wet weather totaling over three inches in rain. This was followed by a hot, calm, sunny day. The resulting blue green algae bloom was the largest in over 20 years, according to Dr. Stephen Carpenter, director of the UW-Madison's Center for Limnology. The bloom eventually moved into the stretch of the Yahara River that connects Mendota to Lake Monona. The riverway became a grim scene of dead fish, crayfish and even baby ducks.

In addition to land use, our weather is changing to make large summer storm events more common. Summer has always been the period when most precipitation falls in Wisconsin. On average, over a third of our annual total falls during the months of June, July and August. In recent years, a larger portion of that summer precipitation has been coming in the form of heavy rains. Records compiled by the Great Lakes Integrated Sciences and Assessments





Before development



Heavy development

Photos by Robert Korfh

Program (GLISA) at Michigan State and the University of Michigan reveal that the amount of precipitation falling in the heaviest 1% of storms increased by 37% in the Midwest from 1958 to 2012. The researchers also project that heavier storms will increase in frequency at a faster rate than storms that are less intense.

Learn more about recent findings on rain intensity at the Great Lakes Integrated Sciences + Assessments website: <http://glisa.umich.edu/>

These heavy storms are creating new challenges for communities, lake organizations and landowners working to protect and improve lake water quality. The rain falls so hard and so fast that the landscape cannot absorb or slow down the water. Major storms overwhelm storm sewers and flood roads, sometimes washing them out entirely and yielding tons of soil into streams and lakes. Waste treatment plants, often located on low areas near waterways, can be inundated by floodwaters, rendering them ineffective. In response, we need to rethink our landscape and begin the work of enhancing the land's capacity to slow down and infiltrate rainwater.

While the task may seem monumental, there are signs that communities and people are taking the right steps to mitigate the potential impact of large summer storms. In and around Milwaukee, where stormwater and sanitary sewers are largely in one shared conveyance system, there is tremendous incentive to mimic the pre-settlement landscape through green infrastructure that allows water to soak into the

Explore Milwaukee's green infrastructure plan: <http://www.freshcoast740.com/>

ground rather than move across the land. This includes a range of practices from simple steps like installing rain gardens and rain barrels to more involved projects such as bioswales and cisterns. The Milwaukee Metropolitan Sewerage District plans to add 740 million gallons of stormwater capacity through green infrastructure by the year 2035, which would allow 14.8 billion gallons of water to infiltrate into the groundwater table annually.

On a smaller scale, every shoreland property owner can take simple steps to reduce the yield of summertime rain coming off of their land and going directly into the lake. Stormwater infiltration practices like French drains and rain gardens direct rainwater back into the ground, reproducing the effect of the pre-settlement landscape. Rain barrels and cisterns can store rainwater for later use and limit the amount of runoff generated by rooftops. Shoreland buffers help filter runoff moving across the land toward the lake. Property owners can also rethink the impervious surfaces on their property and either remove structures that are no longer needed or explore pervious alternatives.

We are not going to accomplish this task overnight, but we need to remember that Wisconsinites have been heavily modifying the landscape towards faster stormwater movement for about 150 years. It's reasonable to expect work to reverse this may stretch out for decades. What is most important is the direction we are headed: we need to work together to restore the land's ability to slow down and infiltrate runoff, naturally sustaining healthy waterways. ♠

Since the state of Wisconsin was first settled, one half of our wetlands have been destroyed, drained or filled.

The Wisconsin Healthy Lakes program provides technical guidance and potential cost-sharing to shoreland property owners looking to install shoreland buffer, rain garden, stormwater diversion or infiltration practices. <http://healthylakeswi.com/>



MASTER PROPERTY OWNERS ASSOCIATION

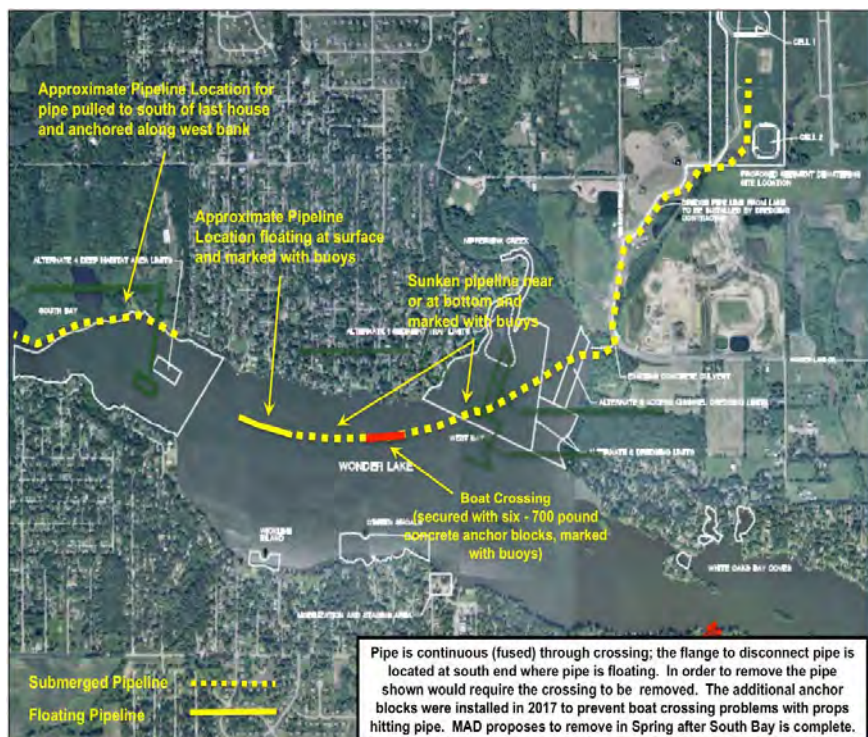
Lake Manager's Reports 2018

Randy Stowe, lakemanager@gmail.com

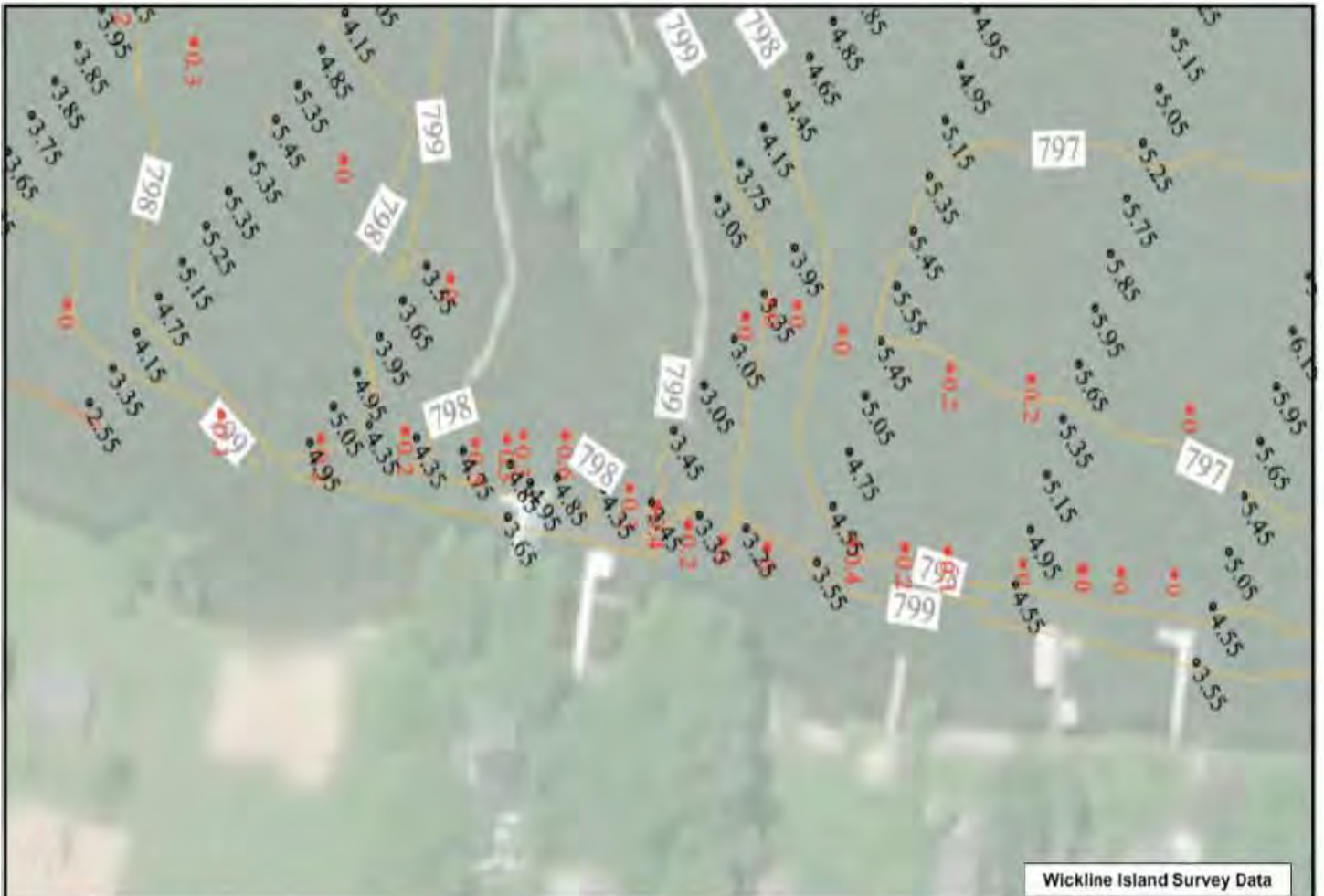
Lake Manager's Report — January 2018

Randy Stowe, lakemanager@gmail.com

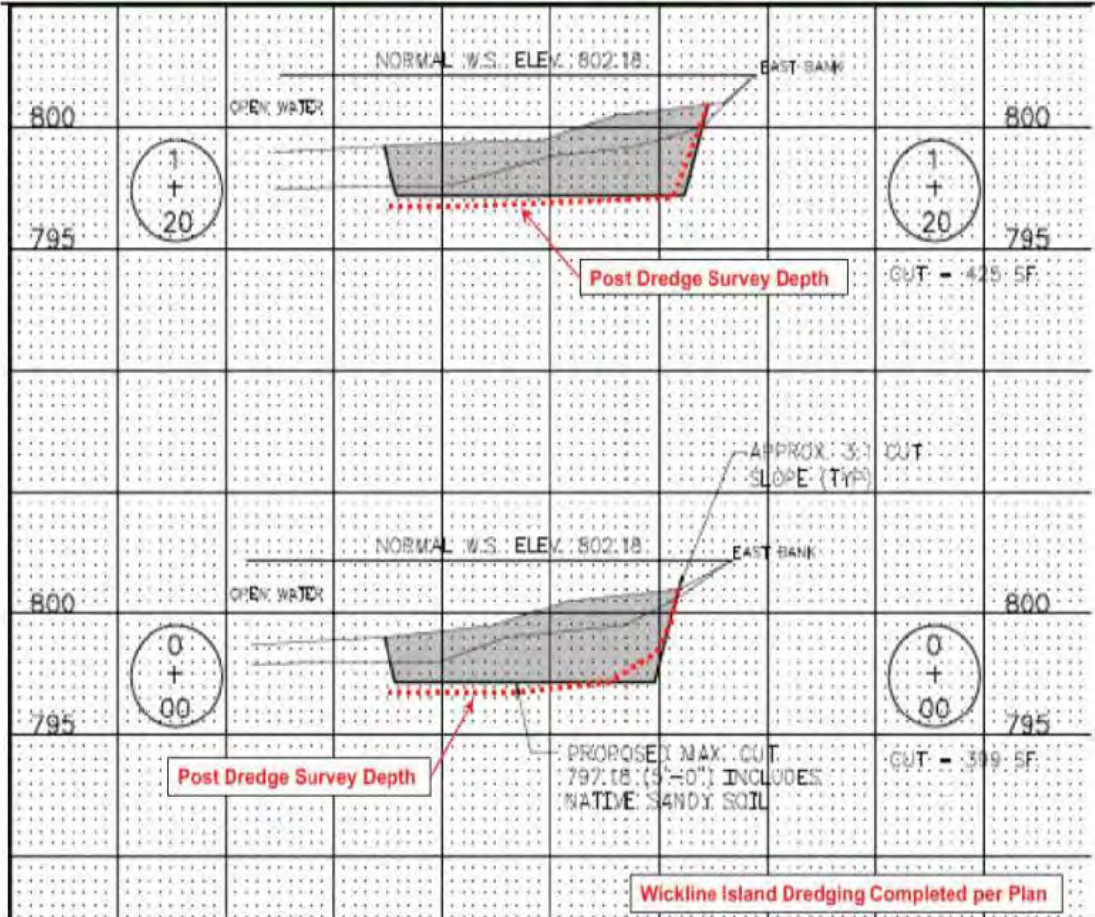
1. Any winter lake user should use extreme caution when in the vicinity of the floating pipeline (as shown below), roughly between Wickline Islands on the east and the Highland Shores beach on the west. Winter lake users are also reminded of the presence of the rip-rap "collars" around Wickline Island and O'Brien Shoals.
2. Lake users are also advised that the increase in water depths where dredging has already occurred could cause changes in how ice forms in those area, as well as ice thickness formerly encountered in those areas.
3. On the afternoon of December 13th, the MPOA was contacted by residents along the Nippersink Creek inlet who were noticing a potential spill of an unknown material, resulting in foaming and discoloration. Local authorities were notified, including the Illinois Environmental Protection Agency (IEPA). I met with IEPA the following morning to conduct an inspection, however, due to the unsafe ice conditions, none of this material could be collected for analysis. Similar material was also observed upstream of the Thompson Road bridge, suggesting that the source of the material was upstream of the bridge. The MPOA will have on-going discussions with appropriate agencies to make sure that appropriate actions occur in the event of a future spill, as well as to help prevent future spills through public education.
4. The Illinois Lakes Management Association is hosting its 33rd annual conference at the Parke Hotel and Conference Center in Bloomington, Illinois from March 22nd to March 23th (with workshops held on the 24th). Registration information is available at <https://ilma-lakes.org/conference-registration>
5. As part of the dredging contract, the dredging contractor is required to hire an independent surveyor to verify that the specified dredging depths have been achieved. The surveyor takes hundreds, if not thousands, of measurements in each dredged area, such as shown in the Wickline Island detail below. That survey information is then compared against the project plans to confirm that the design dredge depths have been achieved, or where some touch-up work might be required.



6. It is important to note that if the dredging contractor dredges deeper than the contract design depth, the MPOA does not pay for that excess volume. To date, the survey data shows that portions of South Bay were dredged up to 0.75 feet deeper than required. While that may not sound like much, it has resulted in an additional 13,669 cubic yards of sediment removed from the lake at no charge to the MPOA.



Wickline Island Survey Data



Lake Manager's Report – February 2018

Randy Stowe, lakemanager@gmail.com

1. Any winter lake user should use extreme caution when in the vicinity of the floating pipeline, located roughly between Wickline Islands on the east and the Highland Shores beach on the west. Winter lake users are also reminded of the presence of the rip-rap “collars” around Wickline Island and O’Brien Shoals.
2. Our variable weather this winter also means lake users must use extreme caution on the ice during warmer temperatures.
3. The Wonder Lake Sportsman's Club (WLSC) conducted a clearing project of Fireworks Island on January 12th, as detailed in the report on the following page. Another island workday is scheduled for Saturday, February 17th at 9 am. If safe ice conditions prevent working on the island, brush clearing work will instead be performed at the Merchant Creek property owned by the Nippersink Watershed Association (NWA). Check both the WLSC and NWA Facebook sites for final information. Volunteers will (as always) be welcome.
4. On January 20th, the Nippersink Watershed Association conducted a workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades.
5. The Illinois Department of Natural Resources is planning to conduct a fish survey of Wonder Lake in the Spring of 2018. The last fish survey was conducted in 2011, and included the following summary:

Overall, there is a diverse fishery in Wonder Lake. Opportunities for memorable catches of largemouth and smallmouth bass, walleye and black crappie exist. Continued stocking and monitoring of this fishery will maintain a great place to fish for the residents of Wonder Lake.

6. The MPOA has renewed the contract with the US Geological Survey for the operation of the stream monitoring gage at Thompson Road. The cost of operating this gage is split between the MPOA and McHenry County, as it provides valuable information to both entities. Real time precipitation, stream discharge, and stream stage information can be viewed at <https://tinyurl.com/y8vezzh1>
7. The Illinois Lakes Management Association is hosting its 33rd annual conference at the Parke Hotel and Conference Center in Bloomington, Illinois from March 22nd to March 23th (with workshops held on the 24th). Registration information is available at <https://ilma-lakes.org/conference-registration>
8. On March 23rd, I will be attending the 6th Annual Fox River summit in Burlington, Wisconsin. While the focus is on the Fox River, many of the topics being discussed have direct connections to issues facing Nippersink Creek and Wonder Lake, including:
 - Urban Leaf Management and Phosphorus Loading in Local Waterways
 - Chloride Impact Study for the Southeastern Wisconsin Region
 - Waukesha County Aquatic Invasive Species Strategic PlanRegistration information is available at: <https://www.southeastfoxriver.org/river-breakdown>

Island Restoration Committee Report for February 14, 2018 MPOA meeting

Mark Nichols – Chairman, Committee members Tony Musel, Dennis Gallo, Ken Shaleen

WEST BAY ISLAND RESTORATION

On January 13, 2018 the Island Restoration Committee started work on Fireworks Island in West Bay. Email

notification of the work day was sent to the Ski Team, Boy Scouts, Nippersink Watershed Association (NWA), Explorers and MPOA email list. The work day was listed on the WLSC and NWA Facebook pages. Nineteen (19) Sportsman Club members, including Six (6) members of the Woodstock High School Fishing Team, and Five (5) other community members worked to remove the invasive plants. Work started at 8 am and was completed about 1 pm with lunch served. Approximately 70% of the island was cleared of undesired shrubs and trees, which were burned. Hey and Associates. donated equipment and herbicide.

Committee Time 1/14/2018 John Naatz, Chris Woerner, Tony Musel, Ken Shaleen, Tom Stygar, Zac Duplain, Bryan Verdino, Brian Barnfield, Tom Provenzano, Jason Conrad, Jacob Laha, Tommy Stygar, Mathew Fallaw, Joey Fallaw, Tom Sharkey, Mike Napier, Dennis Gallo, John Tollini, & Mark Nichols

Total work hours: 1/12/18 – 96

Community members: Randy Stowe, Preston Skultety, Bob Schell, Tim Richie, Corey Bowen

Lake Manager's Report – March 2018

Randy Stowe, lakemanager@gmail.com

1. The Wonder Lake Sportsman's Club (WLSC) continued their brush clearing project of Fireworks Island on February 17th.
2. On Saturday, March 17th, the Nippersink Watershed Association will conduct another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Meet at 8 am on the north side of Wooded Shores Drive at Pleasant Drive. As always, volunteers are welcome.
3. The MPOA dredging contractor has signed the change order agreeing to conduct the "extra" dredging that will now be done in 2018. This is the result of a significant private donation that will fully fund the removal of an additional 60,000 cubic yards of sediment from Wonder Lake. This is in addition to the 469,238 cubic yards of sediment already under contract to be dredged under the SSA# 9 funding.
4. The MPOA received information from a Wonder Lake resident indicating that the Wisconsin Department of Transportation was seeking fill material, and inquiring whether the Wonder Lake sediment that has already been dredged could possibly be sold to WISDOT. The following response was sent back to that party.

Thanks for your information. As you may be aware, it is the hope and intent of the MPOA to be able to market the sediment currently being dredged from Wonder Lake as a means of providing funding for future lake maintenance / dredging needs.

Our consultant has advised us that the highest potential revenue to be gained from sediment sales would be to market it as topsoil, and ideally, in the 40 pound bags you can find at Menards, Lowes, etc. as that would produce the highest revenue yield.

As such, the MPOA has already initiated discussions with topsoil vendors, but nothing will happen until the dredging is completed this year.

Given the distance involved between the Wonder Lake sediment drying facility and current on-going WISDOT projects, it seems perhaps unlikely that WISDOT would be able to offer a price that would be cost effective to them and attractive to the MPOA, but if someone from WISDOT still wished to reach out to us,

they could get in touch with me.

Thanks again for your interest and input.

This is probably a good time to remind everyone that all of the sediment being dredged from Wonder Lake belongs to the MPOA, and we hope to market it once dredging is complete.

5. The Illinois Lakes Management Association is hosting its 33rd annual conference at the Parke Hotel and Conference Center in Bloomington, Illinois from March 22nd to March 23th (with workshops held on the 24th). Registration information is available at <https://ilma-lakes.org/conference-registration>

Lake Manager's Report – April 2018

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor is in the process of re-mobilizing this week, with the intent to resume dredging this coming weekend, weather permitting. Their current plan is to resume dredging in South Bay, concentrating on working the east shoreline first, to allow those lakefront landowners to install piers once dredging in that area has been completed. The intent is to have the dredging of South Bay, and any remaining dredging that can be done around O'Brien Shoals, completed as soon in the 2018 boating season as possible, after which the remaining dredging will be in West Bay. As a result, the dredging crew may be running longer shifts. As always, the MPOA will post updated information to the MPOA website www.wlmpoa.org as it becomes available.

2. On Saturday, April 21st, the Nippersink Watershed Association will conduct another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Meet at 8 am on the north side of Wooded Shores Drive at Pleasant Drive. As always, volunteers are welcome.

3. There has been a lot of interest in the incredible number and variety of birds observed on the lake this early spring. The basic reason for this abundance is the Gizzard Shad, which recently has become very abundant in Wonder Lake. A number of questions have been raised about why the Shad seem to be dying off, creating a sushi bar for the birds. The most likely answer, as explained below, is quick changes in water temperature.



Mortality caused by cold stress has been identified as a factor regulating the abundance of gizzard shad populations, particularly in waters near the northern edge of the species' distribution where prolonged cold winters might almost eliminate them. Sudden cold spells causing water temperatures to drop several degrees in already cold water can cause massive kills.

In a study by Cornell University researchers, young-of-the-year gizzard shad were held in cages in Oneida Lake, New York, during the winter prior to ice-up.* Shad had low mortality in water above 46°F and mortality was high in water less than 39°F. Researchers also tested survival in cold rooms under controlled temperature treatments of 34°F, 36°F, and 39°F to simulate mid-winter conditions. First, shad were allowed to acclimate to 46°F, then the tank temperatures were reduced by about a half of a degree per day until the final test temperatures were reached.

Mortality was low during the acclimation period. A larger proportion of shad survived for longer periods in the 39°F tanks and mortality was highest in the coldest tanks.

Within each temperature treatment, small fish died faster. The researchers also observed that the average size of shad in field collections increased through winter, indicating higher cold tolerance of larger individuals. They conclude that cold stress and the inability to acclimate to decreasing temperatures, rather than starvation, are key factors in winter mortality.

These findings suggest that you can expect large shad winterkills when severe cold-fronts decrease water temperatures quickly in early winter before ice-up. Once lakes are covered in ice and buffered more from sudden changes in air temperatures, the severity of overwinter mortality should coincide with the duration of the ice-cover period.

Lake Manager's Report – May, 2018

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor has re-mobilized and continues to work in South Bay. At last report, the dredging company is hoping to have the “near-shore” areas off Wonderview completed by the end of this week, so that Wonderview folks can get their piers installed. The dredge will then continue working in the South Bay until it is complete. The intent is to have the dredging of South Bay, and any remaining dredging that can be done around O'Brien Shoals, completed as soon in the 2018 boating season as possible, after which the remaining dredging will be in West Bay. As a result, the dredging crew may be running longer shifts. As always, the MPOA will post updated information to the MPOA website www.wlmpoa.org as it becomes available.
2. The efforts to discourage Cormorants from roosting on Wonder Lake Islands appear to be working. As discussed in the email that was sent out to those on the MPOA mailing list, an overabundance of Cormorants can have negative impacts on water quality, the vegetation on the islands, and the fishery. No Cormorants are harmed by these efforts.
3. The Wonder Lake Sportsmans Club conducted its annual spring Lake Cleanup on April 15th. The usual assortment of trash was collected by the 19 volunteers. As always, thanks to WLSC for their on-going efforts.
4. On Saturday, May 19th, the Nippersink Watershed Association will conduct another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Meet at 8 am on the north side of Wooded Shores Drive at Pleasant Drive. As always, volunteers are welcome.
5. The Nippersink Watershed Association has recently received a new grant of up to \$32,000 from the Illinois Clean Energy Community Foundation for the on-going Merchant Creek project. Part of the grant requires that up to \$ 7,000 in cash also be generated from local donations, and a minimum of 500 hours of volunteer effort be provided. This new grant will allow the work already funded and permitted under the on-going IEPA Section 319 grant to be expanded.

Lake Manager's Report – June 2018

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor continues to work in South Bay. At last report, the dredging company is hoping to have the “deep habitat” area in South Bay completed by the start of next week. They will then complete any remaining portions of South Bay that have not yet been dredged, or that require any remedial work, based upon the findings of the hydrographic surveyor.
2. Any remaining work to be done at O'Brien Shoals will only be attempted if we have enough rainfall to raise the lake level enough to provide sufficient draft for the dredge across existing lakebed shoals of un-dredgeable materials.
3. At this point, it is anticipated that prior to the June 30th fireworks display and following 4th of July holiday, the dredge, booster pump, and much of the sediment pipeline will be back in West Bay, greatly reducing lake user conflict issues. Prior to the June 30th fireworks, the MPOA will post an updated diagram of the APPROXIMATE location of the dredging equipment / pipeline on the MPOA website, and will send an email to everyone on the MPOA email list advising them that the diagram has been posted.
4. As of May 11th, 2018, approximately 80% of the 529,378 cubic yards of sediment under contract to be dredged from Wonder Lake has been completed.
5. The MPOA has received a number of comments from lake users regarding dredging issues, primarily involving instances when the sediment pipeline comes close to their shoreline area, limiting or preventing boat access. Obviously, this is a valid concern, but the only way the MPOA finds out about these issues is for folks to contact the MPOA. As soon as the MPOA receives information on pipeline issues, that information is passed onto the MPOA dredging consultant and the dredging contractor, so that the appropriate action can be taken.
6. The MPOA also continues to receive comments on the marking of the sediment pipeline, and problem's lake users have in seeing the pipeline. It is important that lake users realize that as the dredge operates, the sediment pipeline may rise or sink, or “snake” horizontally across the water surface, particularly south of the designated pipeline crossing. For these reasons, we continue to encourage lake user's to completely avoid the overall vicinity of the dredging / dredge pipeline. If you are a Highland Shores or Sunrise Ridge lake user, and must pass through this area to reach other areas of the lake, please use extreme caution.
7. On Saturday, June 16th, the Nippersink Watershed Association will conduct another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Meet at 8 am on the north side of Wooded Shores Drive at Pleasant Drive. As always, volunteers are welcome.

Lake Manager's Report – July 2018

1. The MPOA dredging contractor continues to work in West Bay. At the present rate of production, the MPOA dredging contractor has estimated that the entire dredging project should be completed by late Fall of 2018.
2. All areas of South Bay under contract to be dredged have now been successfully completed. The deep water habitat area in South Bay now features water depths of 10 feet or more, so some new fishing opportunities may exist.
3. With the large rainfall events in June, the lake water level rose enough to allow the dredge temporary access to the remaining areas at O'Brien Shoals that were still under contract to be dredged, but were previously inaccessible due to rocky deposits and shallow water depths. Some additional dredging was accomplished, but it appears, at least for now, that all the dredging feasible at O'Brien Shoals has been completed.
4. The map currently found on the MPOA website (and below) still provides a good APPROXIMATE representation of where the dredge and dredge pipeline is located. Again, the entire West Bay and adjacent areas should be avoided for the rest of the 2018 boating season, as the location of the dredge and pipeline will frequently change as dredging is completed. Access to the main lake for those landowner's on the south side of West Bay and the Nippersink Creek inlet may still face temporary short-term inconvenience but the dredge crew will do all they can to facilitate safe passage.
5. As of June 15th, 2018, approximately 87% of the 529,378 cubic yards of sediment under contract to be dredged from Wonder Lake has been completed.
6. On Saturday, July 21st,(mosquitoes permitting) the Nippersink Watershed Association will conduct another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Meet at 8 am on the north side of Wooded Shores Drive at Pleasant Drive. As always, volunteers are welcome.



Lake Manager's Report — August 2018

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor continues to work in West Bay. At the present rate of production, the MPOA dredging contractor has estimated that the entire dredging project should be completed by late Fall of 2018. It is anticipated that the final dredging activities will occur along the south shore of West Bay, likely in late September or early October, 2018. This should allow time for those landowners to remove their piers to allow unobstructed dredging access.
2. Due to the movements in the dredging pipeline as dredging goes on, all lake user's should avoid West Bay, and adjacent areas of the main lake. Sunrise Ridge landowners wishing to access the lake should get the attention of the dredge crew, who will make any necessary movements to allow passage.
3. As of July 15th, 2018, approximately 88% of the 529,378 cubic yards of sediment under contract to be dredged from Wonder Lake has been completed.
4. The dredging contractor has begun removing excess sediment pipeline, used to reach the far end of South Bay, from the lake. There are still lengths of sediment pipeline secured to the west shore of South Bay.
5. Fourteen show ski clubs, including the Wonder Lake Water Ski Show Team, will be competing in this year's National tournament in Rockford, which will be available for viewing via a live webcast at: <http://www.facebook.com/USAWaterSki> Wonder Lake will perform approximately 9am, Sunday, August 12th.
6. Wonder Lake has thankfully had an incident-free summer so far, and hopefully that trend will continue well into the future. However, as the news article indicates, accidents can still happen on area waterways. As lake use on Wonder Lake is largely governed by Illinois Department of Natural Resources regulations, it may be useful to periodically review information related to those regulations. Information can be downloaded at: <https://www.dnr.illinois.gov/boating/Documents/BoatDigest.pdf>
7. On Saturday, August 18th, the Nippersink Watershed Association will conduct another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Meet at 8 am on the north side of Wooded Shores Drive at Pleasant Drive. As always, volunteers are welcome.

Lake Manager's Report – September 2018

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor continues to work in West Bay. At the present rate of production, the MPOA dredging contractor has estimated that the entire dredging project should be completed by late Fall of 2018. It is anticipated that the final dredging activities will occur along the south shore of West Bay, likely in late September or early October, 2018. This should allow time for those landowners to remove their piers to allow unobstructed dredging access.
2. Due to the movements in the dredging pipeline as dredging goes on, all lake user's should avoid West Bay, and adjacent areas of the main lake. Sunrise Ridge landowners wishing to access the lake should get the attention of the dredge crew, who will make any necessary movements to allow passage.
3. As of August 17th, 2018, approximately 89% of the 529,378 cubic yards of sediment under contract to be dredged from Wonder Lake has been completed.
4. On Saturday, September 12th, the Nippersink Watershed Association will conduct another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Meet at 8 am on the north side of Wooded Shores Drive at Pleasant Drive. As always, volunteers are welcome.

Lake Manager's Report – October 2018

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging contractor continues to work in West Bay. At the present rate of production, the MPOA dredging contractor has estimated that the entire dredging project should be completed by late Fall of 2018, barring an early winter. It is anticipated that the final dredging activities will occur along the un-dredged southeast shore of West Bay, likely in mid-to-late October, 2018. This should allow time for those landowners to remove their piers to allow unobstructed dredging access.
2. Due to the movements in the dredging pipeline as dredging goes on, all remaining lake user's should avoid West Bay, and adjacent areas of the main lake. Sunrise Ridge landowners wishing to access the lake should get the attention of the dredge crew, who will make any necessary movements to allow passage.
3. As of September 25th, 2018, approximately 92% of the 529,378 cubic yards of sediment under contract to be dredged from Wonder Lake has been completed.
4. On Saturday, October 20th, the Nippersink Watershed Association will conduct another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Meet at 8 am on the north side of Wooded Shores Drive at Pleasant Drive. As always, volunteers are welcome.
5. I recently received an inquiry about a snake recently observed near the lake, and concerns that it was danger-

ous / venomous. It was determined that it was likely a Northern Water Snake, a harmless and beneficial species, like all other McHenry County snakes. Generally speaking, if you leave a snake alone, it will do the same for you. The Illinois Natural History Survey maintains a database of all animal species known to occur in Illinois. Below is a link of all snake species having ever been documented in McHenry County, and links to pictures.

<https://www.inhs.illinois.edu/collections/herps/data/county/mchenry>

Simply stated, there are NO venomous snakes found in McHenry County, including Copperheads, Cottonmouths (aka Water Moccasins) or Rattlesnakes, as confirmed by the Illinois Department of Natural Resources.

Venomous snakes tend to be restricted to specific habitats. Copperheads occur in the southern one-third of Illinois, south of Route 16 and in the lower Illinois River valley. They prefer upland forests or river bluffs with limestone or sandstone outcroppings. Cottonmouths live in swamps and wet bottomlands in southern Illinois, south of Route 13. Timber rattlesnakes may be found in the southern one-fourth of the state (south of Interstate 64), in the lower Illinois River valley, in the Mississippi River valley and in a few other locations. These snakes prefer heavy timber with rock outcrops and bluffs. Massasaugas live in scattered locations within the counties of Madison, Clinton, Piatt, Knox, Warren, Will, Cook and Lake. Their habitats are prairie wetlands and river floodplains. <https://www.dnr.illinois.gov/education/Pages/WildAboutSnakes.aspx>

6. A recent article in the Chicago Tribune discussed how the warming of Lake Michigan will have an impact on game fish. It also included a discussion on how inland lakes will also be impacted by warmer water temperatures. While Wonder Lake doesn't contain "cold water" species, it does point out some of the conditions that can affect all aquatic species. That portion of the article is excerpted below:

Lake Michigan is warming. A new report says that could mean trouble for game fish.

More dire inland

The situation may be even more dire for cold water species inland, however. In addition to warmer waters, more frequent heavy precipitation could increase agricultural runoff and induce more algal blooms. When that algae dies near the lake bottom, it becomes food for bacteria, which deplete oxygen levels in deep, cold waters. This places cold water fish in a vise between warm surface water they can't tolerate and deeper cool water with little oxygen. Perhaps no other species underscores the severity of the issue than the cisco, a cold water whitefish that was once found in about 50 lakes in Indiana, but now remains in only six, Hook said.

Researchers say more algae blooms are likely for both ecosystems, although inland lakes are most at risk. There, cold water fish have to occupy a shrinking area as water warms near the surface and oxygen levels drop near the lake bottom.

"They can't really migrate much but up and down in the water column," Hook said. "I would expect to see more die-offs in those types of systems. A lot of aquatic species don't have the flexibility to migrate into new systems like terrestrial organisms do."

The lack of oxygen typically persists until fall, when warm water cools and can mix with deeper water. With springlike temperatures arriving earlier and summer temperatures lingering into fall, the Purdue report warns that warming climate could prolong the period when there is less oxygen in the deeper water.

<http://www.chicagotribune.com/news/ct-met-lake-michigan-warming-20180913...>

7. As discussed in the Tribune article, another potential impact of climate change is the prediction of more intense rainfall events. In 2018, Wonder Lake has been closed 3 times due to high water levels, compared to 1 time in 2017, 1 time in 2015, and 2 times in 2013. If this prediction is correct, lakefront landowners may need to plan for more frequent future high water levels, which can cause damage to piers, as well as increase erosion of poorly protected shoreline areas. This may include considering shoreline stabilization, or raising the height of their piers to avoid them being submerged in high water events. Lake closures typically are enacted when the lake water level rises one foot (and beyond) above normal water level, so it is recognized that pier levels be set at an elevation higher than that one-foot rise.

Lake Manager's Report – November 2018

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging project will FINALLY be fully completed by the end of this week, resulting in the removal approximately 529,738 cubic yards of nutrient-rich sediment from Wonder Lake. It is hoped that the eventual sale of the dried sediment will help fund future maintenance dredging and other lake restoration activities that will continue to enhance local property values for all properties holding deeded lake rights. The MPOA thanks everyone for their cooperation and patience.

2. The dredging contractor has completed the remaining areas of West Bay that still needed to be dredged under the original base bid. They are currently working on re-dredging some areas along the southwest shore of West Bay that had previously been successfully dredged to the required dredging contract specification, but had since experienced additional sediment deposition resulting from heavy rainfall events.

3. The dredging contractor will then demobilize and remove the dredging equipment, as well as the sediment pipeline extending from the lake to the MPOA Sediment Drying Facility (SDF). That work is expected to be complete by mid-December.

4. As part of the dredging contract, the contractor is required to provide the MPOA with surveys, generated by a hydrographic surveyor, to measure and document that the specified dredging depths have been reached, and to allow the verification of the exact quantity of sediment removed under the contract, as the contractor payout is based on a per cubic yard basis. Survey maps have already been provided to the MPOA dredging consultant for all dredged areas conducted to date, with the exception of the recent / current work in West Bay, with those surveys expected shortly.

5. The annual inspection of the Wonder Lake Dam, and the Wonder Lake SDF, was conducted by the MPOA consulting engineers on Friday, October 19th. No critical issues were raised by the MPOA or State engineers who participated. The Lake Maintenance Commission will review the report and its findings upon its receipt.

6. The U.S. Fish and Wildlife Service recently accepted the "Perricone" parcel into the Hackmatack National Wildlife Refuge. This is a 27 acre parcel of land located southwest of Route 47 and Thayer Road, which is bisected by a ½ mile long segment of Nippersink Creek. Working with Openlands and the McHenry County Conservation District (MCCD), the Nippersink Watershed Association (NWA) secured an IEPA Section 319 grant to address streambank erosion, and to create a buffer of native vegetation, activities that will directly benefit Wonder Lake, located approximately 5 miles downstream, as well as other MCCD / NWA protected lands in between. Additional Nippersink properties in the vicinity may also be acquired from willing sellers for future inclusion in the refuge. <https://www.fws.gov/refuge/hackmatack/>

7. On Saturday, November 17th, the NWA will conduct yet another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Meet at 8 am on the north side of Wooded Shores Drive at Pleasant Drive. As always, volunteers are welcome, as volunteer time counts towards a ICECF grant also obtained by the NWA.

8. The 34th Annual Illinois Lakes Management Association Conference will be held at the Crystal Lake Holiday Inn in Crystal Lake, IL from March 14 – 16, 2019. Given the proximity to Wonder Lake, this would be a great opportunity for WL folks to learn more about a wide variety of lake topics. For more details: <http://www.ilm-lakes.org/conference>

Lake Manager's Report – December 2018

Randy Stowe, lakemanager@gmail.com

1. The MPOA dredging project has been completed, barring some minor restoration of areas disturbed by dredging equipment, which will take place in 2019. As is typical in this type of project, funds for that work are being withheld from the final payout to the dredging contractor until that restoration has been completed.

2. The dredging resulted in a final total of 516,265 cubic yards of sediment being removed from shallow areas of Wonder Lake, improving lake usage, fish habitat and water quality. This volume has been confirmed by the required survey of dredged areas, and subsequent review by the MPOA dredging consultant.

3. To put this volume in perspective, this is roughly the equivalent of almost 29,000 semi dump truck loads of nutrient-rich sediment no longer in the lake, and available for potential resale to help fund future lake maintenance activities.

29000 dump truck loads

4. On Saturday, December 15th, the Nippersink Watershed Association will conduct yet another workday, clearing invasive brush from a portion of the Merchant Creek stream corridor. This volunteer work is being done in advance of an upcoming IEPA Section 319 funded stream stabilization project to help minimize the significant amounts of sediment that this parcel has delivered to Wonder Lake over the past decades. Please note that a new meeting location is being used for this workday. Volunteer's will meet at 8 am at the north end (dead end) of Edgewood Drive, just north of Wooded Shores Drive. Edgewood Drive is the first side street off Wooded Shores Drive coming west from East Wonder Lake Road. As always, volunteers are welcome, as volunteer time counts towards a ICECF grant also obtained by the NWA.

5. The 34th Annual Illinois Lakes Management Association Conference will be held at the Crystal Lake Holiday Inn in Crystal Lake, IL from March 14 – 16, 2019. Given the proximity to Wonder Lake, this would be a great opportunity for WL folks to learn more about a wide variety of lake topics. For more details: <http://www.ilm-lakes.org/conference>



X 29,000

Addendum

PDF Attachments concerning the Lake Dredging Project, in order...

Village of Wonder Lake
McHenry County, Illinois
Special Service Area Number Nine
Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A

(Wonder Lake Dredging Project)

BOND PURCHASE AGREEMENT

March 9, 2010

Village of Wonder Lake, Illinois
4200 Thompson Road
Wonder Lake, Illinois 60097

The Master Property Owner's Association Inc.
7602 Hancock Drive
Wonder Lake, Illinois 60097

Ladies and Gentlemen:

The undersigned, William Blair & Company LLC (the "Purchaser"), offers to enter into the following agreement (this "Contract") with the Village of Wonder Lake, Illinois (the "Village"), which upon acceptance by both the Village and by the MPOA (as defined below) will be binding upon each of the Village, the MPOA and the Purchaser. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Series 2010A Bond Ordinance (as hereinafter defined).

This offer is made subject to acceptance by the Village and by the MPOA on or before 1:00 P.M., Chicago time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Purchaser upon notice delivered to the Village and the MPOA at the addresses set forth above at any time prior to the acceptance hereof by the Village and the MPOA. This offer is also subject to the following provisions:

1. Definitions

For purposes of this Contract, the following terms have the meanings specified in this section, unless another meaning is plainly intended:

(A) "Act" means the Special Service Area Tax Law of the State of Illinois, 35 ILCS 200/27-5 et seq., as amended.

(B) "Ancillary Documents" means the the Construction Agreement, and all other agreements and certificates executed and delivered in connection with the issuance and sale of the Series 2010A Bonds.

(C) "Area" means the Village of Wonder Lake Special Service Area Number Nine created pursuant to the Establishing Ordinance.

(D) "Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are required or authorized by law to be closed in the City of Chicago or the State of Illinois or a day on which the New York Stock Exchange is closed.

(E) "Closing" means the Closing as defined in Section 2(B) herein held on the Closing Date.

(F) "Closing Date" means March 15, 2010 or such earlier or later date as the Village, the MPOA and the Purchaser shall mutually agree upon, and refers to the date on which the transaction by which the Village delivers the Series 2010 Bonds to the Purchaser and the Series 2010A Bonds are paid for by the Purchaser pursuant to this Contract.

(G) "Code" means the Internal Revenue Code of 1986, as amended.

(H) "Construction Agreement" means the agreement dated March 15, 2010 between the Village of Wonder Lake, an Illinois municipal corporation and The Master Property Owner's Association, Inc. for the Wonder Lake, Illinois Area, an Illinois not-for-profit corporation.

(I) "Contract" means this Bond Purchase Agreement.

(J) "Establishing Ordinance" means, Ordinance No. 323 adopted by the corporate authorities of the Village on October 17, 2009 establishing the Village of Wonder Lake, Illinois Special Service Area Number Nine.

(K) "Governmental Body" means any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(L) "MPOA" means The Master Property Owner's Association, Inc. for the Wonder Lake, Illinois Area, an Illinois not-for-profit corporation ("MPOA").

(M) "Pledged Funds" means the Special Tax and the moneys and funds pledged to the payment of the Series 2010A Bonds pursuant to the Series 2010A Bond Ordinance.

(N) "Project" means the cleaning, restoration and dredging of portions of Wonder Lake including providing for any permits, engineering costs and consulting costs incurred in connection therewith.

(O) "Proposing Ordinance" means Ordinance No. 305 adopted by the corporate authorities of the Village on November 11, 2008 proposing to establish the Village of Wonder Lake, Illinois Special Service Area Number Nine.

(P) "Paying Agent" means Amalgamated Bank of Chicago, Chicago, Illinois.

(Q) "Purchaser" means William Blair & Company LLC.

(R) "Series 2010A Bond Ordinance" means Ordinance No. ____ adopted by the corporate authorities of the Village on March 9, 2010 relating to the Series 2010A Bonds.

(S) "Series 2010A Bonds" means the interest-bearing, taxable obligations issued by the Village pursuant to the Series 2010A Bond Ordinance and called the Village of Wonder Lake, McHenry County, Illinois, Special Service Area Number Nine Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A (Wonder Lake Dredging Project) in the aggregate principal amount of \$620,000.00.

(T) "Special Services" means the construction of certain public improvements to be constructed by the MPOA pursuant to the Project.

(U) "Village" means the Village of Wonder Lake, McHenry County, Illinois.

2. Purchase and Sale of the Bonds.

(A) Sale of Bonds. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein, the Purchaser hereby agrees to purchase from the Village for a private placement, and the Village hereby agrees to sell to the Purchaser for such purpose, all, but not less than all, of the \$620,000, aggregate principal amount of Series 2010A Bonds, at a purchase price equal to \$610,700, which reflects an Underwriter's discount of \$9,300. The Series 2010A Bonds shall be due on March 1, 2019, and shall bear interest at the rate of 7.00%. The Series 2010A Bonds shall be issued pursuant to the Series 2010A Bond Ordinance. The Series 2010A Bonds shall be dated, shall mature and be subject to mandatory redemption on such dates and in such amounts, shall bear interest at such rates, shall be offered at the initial offering prices and shall be subject to such other terms and conditions, all as described in the Series 2010A Bond Ordinance.

(B) Closing The purchase and sale of the Series 2010A Bonds shall take place on the Closing Date at the offices of Foley & Lardner LLP, Chicago, Illinois. At the Closing, as defined below, the Purchaser will accept the delivery of the Series 2010A Bonds duly executed by the Village, together with other documents herein mentioned, and will make payment therefor as provided herein by immediately available funds payable to the order of the Trustee for the account of the Village.

The payment for the Series 2010A Bonds and delivery of the Series 2010A Bonds, as herein described, is herein called the "Closing."

3. Village's Pre-Closing Deliveries.

(A) Prior to the Closing Date, the Village shall have delivered or caused to be delivered to the Purchaser a certified copy of the Establishing Ordinance, the Series 2010A Bond Ordinance, and such other ordinances of the Village which shall include the authorization of the execution, delivery and performance of this Contract, the Series 2010A Bonds and the other

Ancillary Documents to which the Village is a party, among other things, together with such reasonable number of copies of each of the foregoing as the Purchaser shall request.

(B) The Village hereby authorizes the Series 2010A Bonds and the Ancillary Documents and all other instruments, documents and agreements delivered pursuant to Section 8 of this Contract or in connection with the transactions contemplated hereby, for use in connection with the offering and sale of the Series 2010A Bonds. The Village hereby agrees to furnish such information, execute such instruments and take such other action at the expense of and in cooperation with the Purchaser as the Purchaser may deem reasonably necessary in order to qualify the Series 2010A Bonds for offering and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Purchaser may designate; provided, however, that the Village shall not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

4. Representations and Warranties of the Village.

The Village represents and warrants to and agrees with the Purchaser that:

(A) Village. The Village is a non-home rule unit, municipal corporation duly organized and validly existing and is in good standing under the laws and the Constitution of the State of Illinois. The Village is authorized and empowered by the Act and the Series 2010A Bond Ordinance and such other ordinances of the Village as have been duly adopted by the Village, to enter into the transactions contemplated by this Contract, the Series 2010A Bond Ordinance and the Ancillary Documents to which the Village is or is to be a party. The adoption of each of the Series 2010A Bond Ordinance and the Establishing Ordinance and the execution, delivery and performance by the Village of this Contract, the Ancillary Documents to which the Village is or is to be a party and the issuance of the Series 2010A Bonds are within the legal right, power and authority of the Village, have been duly and validly authorized by all necessary proceedings of the Village, and such execution, delivery and performance by the Village as of the date of this Contract and as of the Closing Date do not and will not contravene, or constitute a breach of or default (with due notice or the passage of time or both) under, any provision of law, ordinance or regulation applicable to the Village, or any provision of the municipal code or other rules and procedures of the Village, or any judgment, order, decree, agreement or instrument binding on it or, result in the creation of any lien or other encumbrance on any asset of the Village. This Contract and the Series 2010A Bond Ordinance each constitute, and the Ancillary Documents to which the Village is or is to be a party, when executed and delivered by the Village and any other parties thereto, will constitute valid and binding agreements of the Village enforceable against the Village in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization, or other similar laws affecting creditors' rights generally and by the availability of equitable remedies, and the Series 2010A Bonds, when issued and delivered by the Village in accordance with this Contract and the Series 2010A Bond Ordinance will have been duly authorized and issued and will constitute valid and binding obligations of the Village enforceable against the Village in accordance with their terms, except to the extent limited by bankruptcy, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies.

(B) Use of Proceeds. The Village will not take or omit to take any action which will in any way cause or result in the proceeds from the sale of the Series 2010A Bonds being applied other than as provided in the Series 2010A Bond Ordinance.

(C) Governmental Authorization. All authorizations, consents and approvals of any Governmental Body required in connection with the execution and delivery by the Village of, or in connection with the performance by the Village of its obligations under, the Series 2010A Bonds, the Series 2010A Bond Ordinance, the Establishing Ordinance, this Contract, or the Ancillary Documents to which the Village is or is to be a party, have been obtained and are in full force and effect, or will be obtained prior to Closing and will be in full force and effect as of the Closing Date. To the best knowledge of the Village, all authorizations, consents and approvals of any Governmental Body required in connection with the construction or operation of the Project by the Village have been obtained and are in full force and effect as of the Closing Date.

(D) No Liens or Encumbrances. There are no existing liens, claims, charges or encumbrances on or rights to any funds, revenues or interests pledged pursuant to the Series 2010A Bond Ordinance which are senior to, or on a parity with, the claims of the holders of the Series 2010A Bonds. The Village has not entered into any contract or arrangements of any kind, and there is no existing, pending, threatened, or anticipated event or circumstance that might give rise to any lien, claim, charge or encumbrance on or right to the assets, properties, funds, or interests pledged pursuant to the Series 2010A Bond Ordinance which would be prior to, or on a parity with, the claims of the holders of the Series 2010A Bonds. The Village is lawfully entitled to receive, pledge and assign all amounts or revenues which have been pledged or assigned as security for the payment of the principal of and interest on the Series 2010A Bonds.

(E) No Litigation. As of the date of this Contract and as of the Closing Date (i) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, to restrain or enjoin, or threatening or seeking to restrain or enjoin, the issuance, sale or delivery of the Series 2010A Bonds or the delivery by the Village of any of the Ancillary Documents to which the Village is a party, or the collection of Pledged Funds, or in any way contesting or affecting the validity of the Series 2010A Bonds, or any of the Ancillary Documents to which the Village is a party, or in any way questioning or affecting (w) the proceedings under which the Series 2010A Bonds are to be issued, (x) the validity or enforceability of any provision of the Series 2010A Bonds, the Series 2010A Bond Ordinance, the Establishing Ordinance or this Contract, (y) the authority of the Village to collect the Pledged Funds, or to perform its obligations hereunder or with respect to the Series 2010A Bonds, or to consummate any of the transactions set forth in the Ancillary Documents to which it is or is to be a party as contemplated hereby or by the Series 2010A Bond Ordinance, (z) the legal existence of the Village, or the title of its Board of Trustees or officers to their offices, and (ii) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, involving any of the property or assets within the Village which may result in any material adverse change in the Pledged Funds, assets or the financial condition of the Village or the proposed construction or operation of the Project by the MPOA pursuant to the Construction Agreement.

(F) Certificates. Any certificate signed by an authorized officer of the Village and delivered to the Purchaser shall be deemed a representation and covenant by the Village to the Purchaser as to the statements made therein.

(G) Ordinances. Each of the Series 2010A Bond Ordinance, the Establishing Ordinance and the Proposing Ordinance is in full force and effect, and has not been amended, modified, revoked or repealed.

5. Representations and Warranties of the MPOA.

The MPOA represents and warrants to and agrees with the Purchaser and the Village that:

(A) Organization and Power. The MPOA is a duly organized and validly existing corporation under the laws of the State of Illinois. The MPOA has all power and authority and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and to enter into and perform its obligations under this Contract, and all Ancillary Documents to which it is or is to be a party or parties.

(B) Authorization of Agreements, etc. This Contract and the Ancillary Documents to which the MPOA is or is to be a party have each been or will be duly authorized, executed and delivered by the MPOA and constitute the legal, valid and binding agreement of the MPOA enforceable against the MPOA in accordance with their respective terms; provided that the enforceability of such documents may be limited by bankruptcy, reorganization, insolvency and similar laws affecting the enforcement of creditor's rights and remedies generally, as applied in the event of bankruptcy, reorganization or insolvency of the MPOA and to equitable remedies. The MPOA has duly authorized all necessary action to be taken by it for the execution and delivery of this Contract and the Ancillary Documents to which the MPOA is or is to be a party, and any and all other agreements and documents as may be required to be executed or delivered by the MPOA in order to effectuate the transactions contemplated herein and therein.

(C) Construction Agreement. Except for (i) engineering approvals to be completed as part of the Project, and (ii) those other consents, permits and approvals customarily obtained during construction and development of the Project, any and all of the conditions precedent to the obligations of the MPOA arising under the Construction Agreement have been satisfied. MPOA has obtained or will obtain all easements and rights-of-way necessary to construct and operate the Special Services (except such easements or rights-of-way that the Village is obligated to obtain pursuant to the Construction Agreement, if any).

(D) No Material Change. The MPOA has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business and there has been no material adverse change in the business, financial position, prospects or results of operations of the MPOA, which would affect the MPOA's ability to perform its obligations pursuant to this Contract or the Ancillary Documents, to the extent to which the MPOA is or is to be a party to any such agreement.

(E) Noncontravention. The execution, delivery and performance by the MPOA of its respective obligations under this Contract and the Ancillary Documents to which MPOA is a party, do not and to the MPOA's knowledge, will not contravene, or constitute a default under, any provision of applicable law or regulation or organizational documents of the MPOA, or of any agreement, judgment, injunction, order, decree or other instrument binding upon the MPOA, and will not result in the creation of any lien or other encumbrance upon any asset of the MPOA.

(F) Governmental or Corporate Consents. No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any Governmental Body or corporate entity in connection with the execution or delivery by the MPOA of this Contract or any Ancillary Document to which the MPOA is or is to be a party, or, if any such action is required, the same has been duly taken, is in full force and effect and constitutes valid and sufficient consent or approval therefor, including, without limitation, zoning approvals and permits, except for (i) final engineering approvals to be completed as part of the Project, (ii) those other consents and approvals which are customarily obtained during construction of the Project. The MPOA has no reason to believe any such consent or approval will not be obtained in due course. The MPOA has obtained or will obtain executed written easement agreements for any and all easements necessary for the construction and operation of the Special Services (except such easements or rights-of-way that the Village is obligated to obtain pursuant to the Construction Agreement, if any).

(G) No Litigation. There is no material action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the MPOA, in which the MPOA is a party or, to the knowledge of the MPOA threatened against the MPOA (i) contesting or in any way relating to (a) the construction and development of the Project, (b) the generation of Pledged Funds or the transactions contemplated by the issuance of the Series 2010A Bonds or (ii) which in any way contests the existence or power of the MPOA or the validity or enforceability of the Series 2010A Bonds, the Ancillary Documents, this Contract or which if adversely determined could have a material adverse effect on the MPOA.

(H) Use of Proceeds. The MPOA will not take or omit to take any action which will in any way cause or result in the proceeds of the sale of the Series 2010A Bonds being applied in a manner other than as provided in the Series 2010A Bond Ordinance.

(I) No Default. No default or event of default on the part of the MPOA has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default on the part of the MPOA under this Contract, the Ancillary Documents to which the MPOA is a party, or any other material agreement or material instrument to which the MPOA is a party or by which the MPOA is or may be bound.

(J) Approvals. The MPOA has received and is in good standing with respect to any applicable certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to conduct and to continue to conduct its business as heretofore conducted by it and to own or lease and operate its properties

as now owned or leased by it, except those of the foregoing that are currently in process. The MPOA has obtained or, to the extent not obtained as of the date hereof, will use best efforts to obtain, any applicable certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to construct the Project.

(K) Certificates. Any certificate signed by an authorized representative of the MPOA and delivered to the Village or the Purchaser shall be deemed a representation and warranty by the MPOA to the Village and the Purchaser as to the statements made by MPOA therein.

(L) No Challenges. The MPOA agrees that it will not bring any suit, action or proceeding which challenges the establishment of the Area, the levy, extension and collection of the Special Tax, the validity of the Series 2010A Bonds or the proceedings relating to the Series 2010A Bonds.

6. Representations and Warranties and Agreements of the Purchaser.

Limited Offering. The Purchaser agrees to make a limited offering of the Series 2010A Bonds to accredited investors and shall obtain an "Accredited Investor Letter" from each purchaser in the form attached as Exhibit B to the Series 2010A Bond Ordinance.

7. Termination of the Purchase Contract.

The Purchaser shall have the right to cancel Purchaser's obligations to purchase the Series 2010A Bonds, if, between the date hereof and the date of Closing, (i) any action or event shall have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, or, in the reasonable opinion of the Purchaser, such action or event pertaining to the federal income tax consequences referenced above materially adversely affects the market for the Series 2010A Bonds or the sale, at the contemplated offering price, by the Purchaser of the Series 2010A Bonds; (ii) legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date on or prior to the date of Closing, or a decision by a court of the United States shall be rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction over the subject matter shall be made, the effect of which is that the Series 2010A Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect; (iii) a stop order, ruling or regulation by the Securities and Exchange Commission shall be issued or made, the effect of which is that the issuance, offering or sale of the Series 2010A Bonds, as contemplated herein, is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect; (iv) there shall occur any outbreak of hostilities or any regional, national or international calamity or crisis or a financial crisis and the effect is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the market for or the marketability of the Series 2010A Bonds

or obligations of the general character of the Series 2010A Bonds; (v) a general suspension of trading on the New York Stock Exchange is in force; (vi) a general banking moratorium is declared by federal or state authorities; (vii) there occurs any material adverse change in the affairs, operations or financial conditions of the Village, or in the affairs, operations or financial condition of the MPOA; (viii) in the reasonable judgment of the Purchaser, the market price of the Series 2010A Bonds, or the market price generally of obligations of the general character of the Series 2010A Bonds, might be adversely affected because: (A) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (B) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Series 2010A Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters; (ix) a war involving the United States of America shall have been declared, or any conflict involving the armed forces of any country shall have escalated, or any other international, national or regional emergency relating to or affecting the effective operation of government or the financial community shall have occurred, which, in the reasonable judgment of the Purchaser, materially adversely affects the market for the Series 2010A Bonds or of obligations of the general character of the Series 2010A Bonds; (x) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2010A Bonds or in any way protesting or affecting any authority for or the validity of the Series 2010A Bonds, the Series 2010A Bond Ordinance, or the existence or powers of the Village; (xi) there shall have occurred a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city or political subdivision of any state, the effect of which, in the reasonable judgment of the Purchaser, would materially adversely affect the ability of the Purchaser to market the Bonds.

8. Conditions of Closing.

The Purchaser's obligation to purchase the Series 2010A Bonds under this Contract is subject to the performance by the Village and the MPOA of their respective obligations hereunder at and prior to the Closing Date, to the accuracy in the reasonable discretion of the Purchaser, of the representations and warranties of the Village and the MPOA contained herein as of the Closing Date, and, in the reasonable discretion of the Purchaser, to the following conditions, including the delivery of such documents as are enumerated herein in form and substance satisfactory to the Purchaser and its counsel as of the Closing Date:

(A) Ordinances in Effect and Village in Compliance Therewith. At the time of the Closing (i) each of the Series 2010A Bond Ordinance, the Establishing Ordinance and the Proposing Ordinance shall be in full force and effect, and shall not have been amended, modified or supplemented since the date hereof, except as may have been agreed to in writing by the Purchaser, and the Village shall have duly adopted and there shall be in full force and effect such additional ordinances or agreements as shall be, in the opinion of Bond Counsel, necessary in connection with the transactions contemplated hereby and (ii) the Village shall perform or have performed all of its obligations required under or specified in this Contract with regard to the Series 2010A Bonds or the Series 2010A Bond Ordinance to be performed at, simultaneously with or prior to the Closing.

(B) Opinions of Bond Counsel. The Purchaser shall have received an unqualified approving legal opinion dated the Closing Date as to the Series 2010A Bonds, addressed to the Village, the Purchaser and the MPOA, from Foley & Lardner LLP, Bond Counsel, satisfactory to the Purchaser in its reasonable discretion.

(C) Opinion of Counsel to the Village. The Purchaser shall have received a favorable opinion dated the Closing Date, addressed to the Purchaser, Bond Counsel, and the MPOA, from Cowlin, Curran & Coppedge, counsel to the Village, satisfactory to the Purchaser in its reasonable discretion.

(D) Opinion of Counsel to the MPOA. The Purchaser shall have received a favorable opinion dated the Closing Date, addressed to the Purchaser, the Village, and Bond Counsel from Hodges, Loizzi, Eisenhammer, Rodick & Kohn, counsel to the MPOA, satisfactory to the Purchaser in its reasonable discretion.

(E) Performance: No Default. Each of the Village and the MPOA shall have performed and complied with all agreements and conditions herein required to be performed or complied with by each of them prior to or on the Closing Date, and at the time of the Closing no event of default or default shall have occurred and be continuing with respect to the Ancillary Documents or the Series 2010A Bonds.

(F) Ancillary Documents. At the Closing Date, (i) all of the Ancillary Documents shall be in full force and effect, shall have been duly executed and copies delivered to the Purchaser by, and shall constitute valid and binding agreements of, the parties thereto, shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser and there shall be no defaults or events of default thereunder and (ii) the proceeds of the sale of the Series 2010A Bonds shall be applied or deposited with the Village for application as described in the Series 2010A Bond Ordinance.

(G) Closing Certificate of Village President of the Village. The Village shall have delivered to the Purchaser a certificate dated the Closing Date, addressed to the Purchaser and the Trustee signed by the Village President of the Village in form and substance reasonably satisfactory to the Purchaser.

(H) Officer's Certificate of the MPOA. The MPOA shall have delivered to the Purchaser a certificate dated the Closing Date, addressed to the Purchaser signed by an authorized officer of the MPOA in form and substance reasonably satisfactory to the Purchaser.

(I) The Bonds. The Series 2010A Bonds shall have been duly authorized, executed, authenticated, delivered, and the proceeds from the sale thereof applied, in accordance with the provisions of the Series 2010A Bond Ordinance.

(J) Specimen Bonds. The Purchaser shall have received specimen Series 2010A Bonds.

(K) Certified Copies of Ordinances. The Purchaser shall have received certified copies of the Series 2010A Bond Ordinance and the Establishing Ordinance. The Series 2010A Bond Ordinance shall include authorization for execution and delivery of this Contract.

(L) Insurance Policies. The MPOA shall have delivered to the Village any and all of the items currently due as required pursuant to the terms of the Construction Agreement, as requested by the Village. The MPOA shall have delivered adequate evidence of insurance.

(M) Additional Opinions, Certificates, etc. The Purchaser shall have received such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser, the Village or their respective counsel may deem reasonably necessary or desirable.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Contract shall be deemed to be in compliance with the provisions of this Contract only if in the reasonable judgment of the Purchaser, they are satisfactory in form and substance.

If there shall be a failure to satisfy the conditions of the Purchaser's obligations contained in this Contract or if the Purchaser's obligations to purchase the Series 2010A Bonds shall be terminated for any reason permitted by this Contract, this Contract shall terminate, and the Purchaser, the Village and the MPOA shall not have any further obligations hereunder, except for the obligations set forth in Section 9 hereof which shall remain in full force and effect.

9. Payment of Expenses.

All fees, costs and expenses associated with the issuance of the Series 2010A Bonds, including without limitation, the reasonable fees and disbursements of the preparer of the Bond Counsel, Foley & Lardner, MPOA's legal counsel, Hodges, Loizzi, Eisenhammer, Rodick & Kohn, and the Village's counsel, Cowlin, Curran & Coppedge, shall be disbursed and paid by the Village from the proceeds of the Series 2010A Bonds.

10. Notices.

Except as otherwise provided in this Contract, whenever notice is required to be given pursuant to the provisions of this Contract, such notice shall be in writing and shall be mailed by first class mail postage prepaid.

11. Law Governing.

This Contract shall be construed in accordance with and governed by the laws of the State of Illinois.

12. Headings.

The headings of the paragraphs and subparagraphs of this Contract are inserted for convenience only and shall not be deemed to constitute a part of this Contract.

13. Counterparts.

This Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. Parties and Interests.

This Contract is made solely for the benefit of the Village, the Purchaser and the MPOA, including the successors and assigns of the Purchaser, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof.

15. Indemnification.

The MPOA agrees to indemnify, defend and hold the Purchaser and the Village and its officers, employees, attorneys, engineers and consultants harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), to the extent resulting from, arising out of, or based upon: (i) any breach or default on the part of the MPOA in the performance of any of its obligations under or in respect of this Contract; (ii) any act of negligence of the MPOA or any of its agents, contractors, servants or employees; or (iii) any violation by the MPOA of any easement, law, ordinances or codes affecting the Area or the Improvements or (iv) any claims, damages or liabilities to which the Purchaser or the Village may become subject as a result of the issuance of the Bonds or the establishment of the Special Service Area to finance the costs of the Improvements. In case any such claim shall be made or action brought based upon any such claim in respect of which indemnity may be sought against the MPOA, upon receipt of notice in writing from the Purchaser or the Village setting forth the particulars of such claim or action, the MPOA shall assume the defense thereof including the employment of counsel reasonably acceptable to the Purchaser and the Village and the payment of all costs and expenses. The Purchaser and the Village shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Purchaser or the Village as applicable.

16. Amendment or Assignment.

This Contract may not be amended except through the written consent of all of the parties hereto and is not assignable.

17. Survival of Representations, Warranties, Agreements and Obligations.

Each respective representation, warranty and agreement of the Village, the MPOA and the Purchaser shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Purchaser, the MPOA, and the Village and shall survive the Closing. This Section 17, the obligations of the Village under Sections 9, 10, 15 and 16 hereof, the obligations of the Purchaser under Section 15 hereof and the obligations of the MPOA under Sections 10 and 15, hereof shall survive any termination of this Contract pursuant to its terms.

18. Severability.

If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this Contract shall not affect the validity of the remaining portions of this Contract, or any part hereof.

[SIGNATURES FOLLOW]

Very truly yours,

WILLIAM BLAIR & COMPANY, LLC

By: _____
Its: _____

Accepted and agreed to by the under-
signed as of the date first above written.

MPOA, an Illinois not-for-profit corporation

By: Richard A. Victor
Its: President

VILLAGE OF WONDER LAKE, an Illinois
municipal corporation

By: [Signature]
Its: President

[Handwritten mark]

**AGREEMENT BETWEEN THE VILLAGE
OF WONDER LAKE AND
THE MASTER PROPERTY OWNER'S ASSOCIATION, INC.
FOR THE WONDER LAKE, ILLINOIS AREA
WONDER LAKE DREDGING PROJECT**

THIS AGREEMENT ("**Agreement**") made and entered into this ____ day of March, 2010, is by and between the Village of Wonder Lake, an Illinois municipal corporation, McHenry County, Illinois (the "**Village**"), and The Master Property Owners Association, Inc. For The Wonder Lake, Illinois Area, an Illinois not-for-profit corporation ("**MPOA**").

WITNESSETH:

WHEREAS, the MPOA was formed for the purpose of promoting the Wonder Lake recreation area and to control and maintain the lake bottom and other community property pertinent thereof, and in furtherance thereof has undertaken a restoration and enhancement project for the lake that will include dredging approximately one million cubic yards of sediment from impacted areas within Wonder Lake and deepening the original lake bottom for lake protection and stabilizing certain islands and to allow for future maintenance clean out and the construction of facilities for removal and disposal of the sediment (the "**Project**");

WHEREAS, the MPOA submitted an application to the Village to request the Village propose the establishment of a Special Service Area, which includes property within the Village and unincorporated McHenry County that has access to Wonder Lake (the "**Area**"), in accordance with the Special Service Area Tax Law (35 ILCS 200/27-5) (the "**SSA Act**") to help finance certain costs relating to the Project;

WHEREAS, the improvements to be undertaken as part of the Project are unique and special services within the meaning of 35 ILCS 200/27-5 that will benefit the Area specially and are in addition to the municipal services provided to the Village as a whole. All of the improvements are to be located within the Village or unincorporated McHenry County and shall generally consist of and include costs of cleaning, restoration and dredging of Wonder Lake, stabilizing certain islands, the construction of facilities to store the sediment, the engineering, permits and consultant's costs incurred in connection therewith and related improvements; costs incurred to pay capitalized interest on bonds issued to finance such improvements; to establish any necessary reserve fund; to pay issuance costs; to pay the Special Service Area Number Nine administration costs; and to reimburse the Village and MPOA for their expenses including but not limited to legal fees relating to the Bonds; (collectively the "**Improvements**"). The Improvements and the estimated related costs are attached hereto as Exhibit A;

WHEREAS, the President and Board of Trustees of the Village (the "**Corporate Authorities**") determined in Ordinance 323 that the Area would benefit specially from construction of the Improvements and that it would be in the best interest of the Village to adopt an ordinance (the "**Establishing Ordinance**") designating the Area as a "**Special Service Area Number Nine**" pursuant to Article VII, Section 7 of the Illinois Constitution and the Illinois Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.* and authorizing the levy of ad valorem

special service area taxes upon the taxable real property within the Special Service Area Number Nine;

WHEREAS, the Corporate Authorities also authorized the issuance of bonds to finance the costs of the Improvements pursuant to Ordinance No. 330 adopted by the Corporate Authorities on March 9, 2010 (the "**Bond Ordinance**") authorizing the issuance of Village of Wonder Lake, McHenry County, Illinois, Special Service Area Number Nine Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A (Wonder Lake Dredging Project) (the "**Series 2010A Bonds**") to pay a portion of the costs of the Improvements, including the financing and other costs associated with the funding of the Improvements, and it is contemplated additional series of bonds will be issued by either or both of the Village or McHenry County, Illinois (the "**County**") to finance additional costs of the Improvements;

WHEREAS, the Parties agree that the MPOA shall bid the cost of constructing Improvements in accordance with plans and specifications to be prepared by MPOA and approved by the Village, and all rules and requirements for public bidding that would be required of the Village. The proceeds from the sale of the Series 2010A Bonds shall be under the control of the Village and the proceeds of any additional bonds shall be under the control of the Village, or if issued by the County under the control of the County or a trustee for such bonds appointed by the County, and shall be used to pay for the Improvements. All improvements shall be constructed in accordance with the terms and provisions of the approved engineering plans and specifications and construction documents. All such construction documents, plans and specifications shall be approved by the Village Engineer and the Village Board of Trustees before commencement of any work;

WHEREAS, the proceeds from the sale of the Bonds issued by the County (the "**County Bond Proceeds**") to be used to pay for the Improvements shall be held by an institutional trustee, as trustee for the Bond Holders ("**Trustee**"), in an account entitled the "**Improvement Fund**" in accordance with a trust indenture relating to the Bonds (the "**Trust Indenture**");

WHEREAS, the Corporate Authorities determined that the Project is in the vital and best interest of the Village and the health, safety, morals and welfare of its residents, that property within Special Service Area Number Nine will benefit specially from the special services to be provided to the area and the financing of the Improvements by the Village is in accordance with the public purposes and provisions of applicable state and local laws;

WHEREAS, this Agreement has been submitted to the Corporate Authorities for consideration and review, and the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Village according to the terms hereof. The MPOA has taken all actions necessary and adopted the proper resolutions to make this Agreement binding upon the MPOA according to the terms hereof; and

WHEREAS, the Village and the MPOA wish to set forth certain agreements regarding the funding of the Improvements and the terms under which the Village will disburse Bond proceeds for payment of such costs.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, IT IS HEREBY AGREED by and between the Village and the MPOA as follows:

ARTICLE I RECITALS

Section 1.1 The foregoing recitals are hereby fully incorporated into and made a part of this Agreement as if fully set forth herein.

ARTICLE II DEFINITIONS

In addition to the terms defined in the recitals, when used in this Agreement, and notwithstanding any other meanings, understandings or definitions ascribed by common usage or otherwise for any other purpose, the following words and terms shall have the meanings hereinafter ascribed to them and no other:

“**Area**” means the Village of Wonder Lake, Illinois Special Service Area Number Nine established by the Corporate Authorities pursuant to Ordinance No. 323 of the Village.

“**Bond Documents**” means the bond ordinance, trust indenture, tax certificates, bonds, bond purchase agreement, and any other document authorizing the issuance of, or executed in connection with, the Series 2010A Bonds and any other Bonds issued by the Village or the County to finance the Improvements.

“**Bonds**” means the Series 2010A Bonds and the County Bonds and any additional bonds issued by the Village to fund the Project and any bonds to refund such bonds.

“**County Bonds**” means any bonds issued by the County of McHenry, Illinois to finance the costs of the Improvements or the Project.

“**Effective Date**” means the date on which this Agreement shall become effective pursuant to Section 9.8 of this Agreement.

“**Force Majeure**” means orders of the United States, State of Illinois, or other civil or military authority, changes in applicable law, strikes, lock-outs, acts of God, inability to obtain labor or materials, enemy action, civil commotion, fire, unavoidable casualty, or other similar events or circumstances.

“**Improvement Fund**” means any Improvement Fund, Project Fund or other fund established pursuant to the Bond Documents in which proceeds of the Series 2010A Bonds or any additional bonds are deposited for the purpose of paying costs of the Improvements.

ARTICLE III MUTUAL ASSISTANCE

The MPOA and Village agree to take such actions, including the execution and delivery of such documents, instruments, petitions, certifications (and in the Village's case, the adoption of such ordinances and resolutions), as may be necessary or appropriate from time to time to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

ARTICLE IV CONSTRUCTION OF THE IMPROVEMENTS

Section 4.1 Construction of Improvements by the MPOA. As required by the Illinois Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.* the Improvements provide a special service specific and unique to the Area, and are essential to the Area. The MPOA shall bid for the construction of and construct the Improvements for the benefit of and on behalf of the Village as provided in this Article IV. Construction of the Improvements shall commence within six months after the sale of the Bonds. With respect to the Improvements to be constructed with proceeds of Bonds, the interest on which is tax-exempt (hereinafter referred to as "Tax-Exempt Bonds"), such proceeds shall be fully expended on the Improvements as required by the bond documents executed in connection with such bonds. With respect to all Improvements, they shall be subject to inspection by the Village after the sale of the Bonds. The Improvements shall be paid for as provided in Article VI of this Agreement.

Section 4.2 Duty of the MPOA to Construct.

(a) The MPOA, on behalf of the Village, shall cause the Improvements to be constructed as a special and unique benefit to the Area. All Improvements to be constructed hereunder shall be constructed in substantial accordance with all the applicable laws, ordinances and rules and shall be constructed in a good workmanlike and commercially reasonable manner. At all times, the MPOA shall employ and/or contract with adequate staff, consultants and contractors possessing the requisite experience necessary to administer and coordinate the construction of the Improvements.

(b) The Parties agree that the MPOA shall receive payment for the construction of the Improvements in an amount equal to the amount or amounts shown on the budget or budgets attached hereto as Exhibit A (the "**Budgeted Amount**"). In the event that the actual cost of constructing a particular Improvement exceeds the cost budgeted for that Improvement ("**Excess Cost**"), the MPOA shall be permitted to utilize funds allocated to other Improvements to pay the Excess Cost; provided, however, that any Improvements to be paid for with Bond Proceeds must constitute a "**Special Service**" as defined in the Bond Documents and if financed with Tax-Exempt Bonds is subject to any requirements set forth in the Bond Documents relating to such Bonds. The MPOA and the Village shall cooperate with each other and shall each use their best efforts to cause the cost of constructing the Improvements to be no more than the Budgeted Amount. However, it is understood that if despite the Parties' best efforts, the cost of constructing the Improvements exceeds the Budgeted Amount, then the MPOA shall not be required to complete construction of the Improvements, and to the extent that

the amounts available from the Improvement Fund are not sufficient to pay for all costs of constructing the Improvements, the remaining Improvements shall not be constructed. Notwithstanding the foregoing, the MPOA acknowledges that any lack of availability of amounts in the Improvement Fund shall in no way diminish any obligation of the MPOA to pay for the costs of completing any work required by law or contract.

(c) Subject to Article VIII of this Agreement, if the MPOA fails to complete the Improvements within the time specified herein, or any extensions of time granted by the Village (which extension shall not be unreasonably withheld) or the MPOA abandons the project (ceases all work for a period of six (6) consecutive months) without reasonable cause for delay, and, if as a result, a material breach of this Agreement occurs, the Village shall have the right but not the obligation to complete the Improvements using the remaining Bond Proceeds on deposit in the Improvement Fund to pay for the completion of the Improvements identified in the Project Budget attached as Exhibit A under the caption "**Bond Proceeds**". Upon completion of the Improvements by the Village, the Village shall issue to the MPOA a written Certificate of Completion of the Improvements. Additionally, to the extent that the remaining Bond Proceeds are not sufficient to pay for the reasonable costs of such completion of the Improvements as may be required by Section 6.3 of this Agreement by the Village, the Village shall have the right to draw upon the performance bond identified in Section 4.8 for such reasonable additional costs of completion.

Section 4.3 Submission and Approval of Plans and Engineering. The MPOA shall, as required by Village ordinance, submit the plans and specifications for the Project to the Village for its review and approval, which approval shall not be unreasonably withheld. The Village covenants that it will review and process all of the submitted MPOA's plans and specifications in a timely manner.

Section 4.4 Conformance to Federal, State, and Local Requirement. All work with respect to the Improvements shall conform to all applicable ordinances, codes, rules and regulations in effect as of the date of this Agreement and all applicable federal, state and local laws, regulations, codes, rules and ordinances.

Section 4.5 Insurance. Prior to commencement of construction of the Improvements, the MPOA shall cause to be procured and delivered to the Village and shall maintain in full force and effect until construction of the Improvements has been completed, an insurance policy ("**Insurance Policy**") of commercial liability insurance and, during any period of construction, contractor's liability insurance and worker's compensation insurance, with liability coverage under the commercial liability insurance of not less than Two Million Dollars per occurrence and Five Million Dollars in the aggregate (which may be in the form of umbrella coverage) and limits under the other policies of insurance in accordance with statute, all such policies to be in such form and issued by such companies as shall be reasonably acceptable to the Village, to protect the Village and the MPOA against any liability incidental to the use of, or resulting from, any accident occurring on or about the Improvements or the construction of an improvement thereof. Each such policy shall name the Village as an additional named insured party. The cost of the Insurance Policy shall be paid or reimbursed from the County Bond Proceeds.

Section 4.6 Rights of Inspection. During construction of the Improvements, the Village or its designee shall have the right any time and from time to time to enter upon the Property for the purpose of conducting such inspections as the Village may deem appropriate. In the event that the Village or its designee discovers a defect or deficiency in the construction of the Improvements, the Village or its designee shall promptly notify the MPOA thereof. Any such inspection by the Village of the Improvements shall not be construed as a representation by the Village that there has been compliance with the Construction Plans or that the Improvements will be or are free of faulty materials or workmanship, or as a waiver of any right that the Village or any other party may have against the MPOA or any other party for failure to comply with the Construction Plans or the provisions of this Agreement.

Section 4.7 Administration of SSA. The Village may contract with an administrator or consultant to administer the Special Service Area Number Nine, including, without limitation, delivery of any reports required by the Bond Documents relating to Special Service Area Number Nine, and enforcement of delinquent special taxes, on such terms as shall be reasonably agreed to by the Village and such consultants. The costs related to the administration of the Special Service Area Number Nine, if any, shall be payable from the special tax collections or Bond proceeds.

Section 4.8 Security for Public Improvements. The MPOA will provide the Village with a surety bond in the amount of the cost of construction of the Improvements as security for completion of any Improvements required to be completed pursuant to Section 6.3 of this Agreement. In the event the bond proceeds are insufficient to complete the Improvements, the Village may draw upon the surety bond for payment of such Improvements. The cost of the surety bond will be paid or reimbursed out of the County Bond Proceeds.

ARTICLE V MPOA INDEMNIFICATION OF THE VILLAGE

The MPOA agrees to indemnify, defend and hold the Village and its officers, employees, attorneys, engineers and consultants harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), to the extent resulting from, arising out of, or based upon: (i) any breach or default on the part of the MPOA in the performance of any of its obligations under or in respect of this Agreement; (ii) any act of negligence of the MPOA or any of its agents, contractors, servants or employees; or (iii) any violation by the MPOA of any easement, law, ordinances or codes affecting the Area or the Improvements or (iv) any claims, damages or liabilities to which the Village may become subject as a result of the issuance of the Bonds or the establishment of the Special Service Area to finance the costs of the Improvements. In case any such claim shall be made or action brought based upon any such claim in respect of which indemnity may be sought against the MPOA, upon receipt of notice in writing from the Village setting forth the particulars of such claim or action, the MPOA shall assume the defense thereof including the employment of counsel reasonably acceptable to the Village and the payment of all costs and expenses. The Village shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Village.

ARTICLE VI
PAYMENT FOR IMPROVEMENTS

Section 6.1 Improvements to be Constructed.

(a) Request for Payment. The MPOA may submit to the Village Engineer, or his written designee not more frequently than once each calendar month, a written request as provided in Exhibit B (“**Request for Payment**”) for payment of the costs of constructing those portions of the Improvements which have been completed to date and are identified on the Construction Plans and as enumerated in the third Whereas Clause of the Recitals. The Village Engineer shall inspect each portion of the Improvements for which payment is requested and shall, within ten (10) business days after submission of a Request for Payment, make its inspection and confirm that the work for which payment is requested has been done. Additionally, within twenty-one (21) days of the inspection and confirmation of work, the Village Board of Trustees shall vote to approve the Request for Payment, upon which the Village Engineer shall execute and deliver to the MPOA a written statement (“**Disbursement Request**”) in which the Village Engineer states it has inspected the work described therein and that the Village Board of Trustees has approved payment therefor in the amount provided for in the Disbursement Request.

(b) Denial of Compliance. If, in the Village Engineer’s reasonable opinion, any portion of the work is not in compliance with the Construction Plans, the Village Engineer shall, within ten (10) business days after submission of a Request for Payment, notify the MPOA in writing of: (1) the specific improvements which it believes are not in compliance with the Construction Plans, (2) the reasons why it believes that the work is not in compliance with the Construction Plans, and (3) the reasons why it is not approving a portion or all of the requested disbursement together with reasonably detailed explanations thereof. However, to the extent that the Request for Payment relates to multiple Improvements and the Village Engineer confirms that some of the Improvements addressed by the Request for Payment are complete, then, within twenty-one (21) days of the inspection, the Village Board of Trustees shall vote to approve those portions of the Request for Payment, and the Village Engineer shall execute and deliver to the MPOA a Disbursement Request stating that the Village Engineer has inspected the work therein described and approved payment therefor in the amount provided in the Disbursement Request.

(c) Release of Funds. At such time as work covered by a Request for Payment is approved by the Village Engineer and, subject to the provisions of the Bond Documents, the Village Engineer and Village Board of Trustees shall deliver a Disbursement Request to the Trustee, if any, directing the Trustee to disburse, or disburse funds directly if held by the Village, to the MPOA the amount of funds provided for in the Disbursement Request to the extent that funds are available in the Improvement Fund.

Section 6.2 Conditions Precedent to Payment. The Village Engineer and Village Board of Trustees shall authorize the disbursement of funds by the Village or the Trustee, if applicable, to the MPOA to pay for those portions of the Improvements which have been completed upon satisfaction of the following conditions:

(a) The MPOA has submitted to the Village Engineer, a Request for Payment with respect to such portions of the Improvements and the Village Engineer has issued, or is required to issue, a Disbursement Request with respect thereto; and

(b) Subject to the Force Majeure provisions of Article VIII the MPOA is not in default under this Agreement.

(c) The MPOA has provided the Village Engineer with all appropriate waivers of lien and supporting affidavits to the satisfaction of the Village.

Section 6.3 Bond Proceeds.

(a) The Bond Proceeds shall be deposited, held, invested, reinvested and disbursed as provided in the Bond Documents. Sufficient Bond Proceeds shall be deposited in the Improvement Fund, which, together with anticipated interest earnings, will fully fund the budgeted amounts set forth in Exhibit A for the Improvements under the caption "**Bond Proceeds.**" Monies in the Improvement Fund shall be withdrawn therefrom in accordance with the provisions of the Bond Documents and the applicable provisions of this Agreement for payment of all or a portion of the cost of constructing the Improvements under the heading Bond Proceeds. The MPOA understands and agrees that the Village alone shall direct the investment of funds on deposit in the funds and accounts established by or pursuant to the Bond Documents, including the Improvement Fund.

(b) Bond proceeds shall only be invested in government insured securities. Except in the event of fraud or gross negligence, the Village shall have no responsibility whatsoever to the MPOA with respect to any investment of Bond Proceeds, including any loss of all or a portion of the principal invested or any penalty for liquidation of investment. Any such loss may diminish the amounts available in the Improvement Fund to pay the cost of constructing the Improvements. The MPOA further acknowledges that the obligation of any owner of real property in the Area to pay special service area taxes is not in any way dependent on the availability of amounts in the Improvement Fund to pay for all or any portion of Improvements. The MPOA acknowledges that any lack of availability of amounts in the Improvement Fund to pay the cost of constructing the Improvements shall in no way diminish any obligation of the MPOA to pay for any costs of completing any work required by law or contract.

Section 6.4 Limited Liability of Village. The MPOA agrees that any and all obligations of the Village arising out of or related to this Agreement are special and limited obligations of the Village and the Village's obligations to make any payments under this Agreement are restricted entirely to the monies, if any, in and available for disbursement from the Improvement Fund and from no other source. Except in the event of fraud or gross negligence, no member of the Corporate Authorities, or any Village staff member, employee or agent, or consultant, including attorneys and engineers, shall incur any liability under this Agreement to the MPOA or any other party in their individual capacities by reason of their actions under this Agreement or the execution of this Agreement.

ARTICLE VII AUTHORITY

Section 7.1 Powers. Each Party hereby represents and warrants to the other Party that the Party making such representation and warranty has full constitutional and lawful right, power and authority, under currently applicable law, to execute, deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary Village proceedings, findings and actions and all necessary MPOA actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the Village and the MPOA, enforceable in accordance with its terms and provisions and does not require the consent of any other governmental authority.

Section 7.2 Authorized Parties. Whenever under the provisions of this Agreement and other related documents and instruments or any supplemental agreements, any request, demand, approval, notice or consent of the Village or the MPOA is required, or the Village or the MPOA is required to agree or to take some action at the request of the other party, such request, demand, approval, notice or consent, or agreement shall be given for the Village, unless otherwise provided herein, by the Village Treasurer or his or her written designee and for the MPOA by its President, or his written designee; and either party shall be authorized to act on any, such request, demand, approval, notice or consent, or agreement or other action and neither party hereto shall have any complaint against the other party as a result of any such action taken.

ARTICLE VIII FORCE MAJEURE

Section 8.1 Neither the Village nor the MPOA shall be responsible for any failure to perform the undertakings, obligations, and commitments each has assumed pursuant to this Agreement to the extent caused by a Force Majeure. However, the Village and the MPOA shall promptly resume the undertakings, obligations, and commitments each has assumed upon the cessation of the Force Majeure.

ARTICLE IX LEGAL RELATIONSHIPS AND REQUIREMENTS

Section 9.1 No Third Party Beneficiaries. Nothing in this Agreement shall create, or be construed or interpreted to create, any third party beneficiary rights.

Section 9.2 Entire Agreement. There are no representations, covenants, promises, or obligations not contained in this Agreement that form any part of this Agreement or upon which any of the parties are relying in entering into this Agreement.

Section 9.3 Amendments. Except as expressly provided otherwise in this Agreement, this Agreement shall not be modified, changed, altered, amended, or terminated without the written and duly authorized consent of all parties hereto.

Section 9.4 Waivers. No term or condition of this Agreement shall be deemed waived by any party unless the terms of condition to be waived and the circumstances giving rise to such waiver are set forth specifically in a duly authorized and written waiver of such party. No waiver

by any party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition of this Agreement, nor shall waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or different provisions of this Agreement.

Section 9.5 Interpretation and Severability. It is the intent of both parties that this Agreement be construed and interpreted so as to preserve its validity and enforceability as a whole. In case of any conflict among the provisions of this Agreement, the provision that best promotes and reflects the intent of the parties shall control. If any provision of this Agreement is construed or held to be void, invalid, or unenforceable in any respect, the remaining provisions of this Agreement shall not be affected thereby but shall remain in full force and effect.

Section 9.6 Regulatory Bodies. This Agreement shall be subject to all valid rules, regulations, the laws applicable hereto passed and promulgated by the United States of America, the State of Illinois, or any other governmental body or agency having lawful jurisdiction, or any authorized representative or agent of any of them; provided, however, that this Section 9.6 shall not be construed as waiving the right of any part to challenge the validity of any such rules, regulations, or laws on any basis, including the impairment of this Agreement.

Section 9.7 Successors; Assignment. Neither party hereto shall have the right to assign this Agreement or any of its rights and obligations hereunder or to terminate its obligations hereunder by dissolution or otherwise without first securing the written consent of the other parties, except as may be provided by law. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of both parties hereto.

Section 9.8 Effective Date and Term. This Agreement shall take effect as of the date first above written when executed by the last of the duly authorized representatives of the MPOA and the Village.

Section 9.9 Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed delivered to the addressee thereof when delivered in person or by express mail or messenger at the address set forth below or by facsimile with facsimile proof of receipt or three business days after deposit thereof in any main or branch United States post office, regular mail, postage prepaid, properly addressed to the parties, respectively, as follows:

For notices and communications to the Village:

Village of Wonder Lake
4444 Thompson Road
Wonder Lake, Illinois 60097
Attn: President
Telephone: 815-728-0839
Facsimile: 815-728-1226
Email: wlvillage@wlvillage.org

For notices and communications to the MPOA:

The Master Property Owners Association, Inc. For the Wonder
Lake, Illinois Area
7602 Hancock Drive
Wonder Lake, Illinois 60097
Attn: Richard Hilton
Telephone: 815-653-4136
Facsimile: 815-653-5097
Email: wildick@comcast.net

By notice complying with the foregoing requirement of this Section 9.9, each party shall have the right to change the names and addresses or both for all future notices and communications to such party, but no notice of a change of address shall be effective until actually received.

Section 9.10 Illinois Law. This Agreement shall be construed in accordance with the laws of the State of Illinois.

Section 9.11 Exhibits. The Exhibits attached to this Agreement are, by this reference, incorporated into and made a part of this Agreement.

Section 9.12 Execution in Counterparts. This Agreement may be executed in two (2) identical original counterparts, and each of said two (2) counterparts shall, individually, be taken as and constitute an original of this Agreement.

Section 9.13 Enforcement.

(a) Remedies. The parties hereto may in law or in equity enforce or compel the performance of this Agreement and shall otherwise have all remedies provided by applicable United States of America, State of Illinois, and local laws, ordinances, rules, and regulations.

(b) Attorneys Fees. Each party shall bear its own costs and expenses (including attorneys' fees) incurred in any judicial or administrative proceeding brought for enforcement or breach of any provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written.

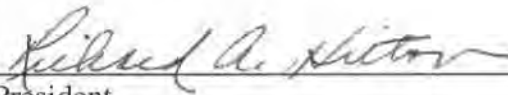
VILLAGE OF WONDER LAKE

By: 
Village President

ATTEST:


Village Clerk

**THE MASTER PROPERTY OWNER'S
ASSOCIATION, INC. FOR THE WONDER
LAKE, ILLINOIS AREA**

By: 
President

[Signature Page for Agreement Between the
Village of Wonder Lake and the MPOA]

Exhibit A

1. Project Costs/Bond Proceeds

Project Financing

| | | |
|--|---------------------|--|
| 1. Land Acquisition | \$ <u>0</u> | Bond Issue Amount <u>\$5,932,730</u> |
| 2. Site Development | \$ <u>863,800</u> | |
| 3. New Construction | \$ <u>3,047,887</u> | |
| 4. Purchase of Building1 (and land) | \$ <u>0</u> | Equity \$ _____ |
| 5. Renovation Costs | \$ <u>1,521,659</u> | |
| 6. Equipment, Machinery | \$ <u>0</u> | Other (specify) \$ _____ |
| 7. Furniture & Fixtures | \$ <u>0</u> | |
| 8. Professional Fees* | | |
| 1) New Construction | \$ <u>392,696</u> | |
| 2) Renovation | \$ <u>106,677</u> | |
| 9. Other (specify) | \$ _____ | |
| _____ | \$ _____ | |
| _____ | \$ _____ | |
| _____ | \$ _____ | |
| 10. Total Project Cost (round to \$100's) | \$ <u>5,932,730</u> | Total <u>\$5,932,730</u> (must equal line 10) |

Note * Professional Fees have been broken into New Construction and Renovation Costs to reflect differences.

Exhibit B

REQUEST FOR PAYMENT FORM

TO: Village of Wonder Lake
4444 Thompson Rd.
Wonder Lake, Illinois 60097

Re: \$ _____
Village of Wonder Lake
McHenry County, Illinois
Special Service Area Number Nine
Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A
(Wonder Lake Dredging Project)

Amount Requested: _____

Total Disbursements to Date: _____

1. Each obligation for which a disbursement is hereby requested is described in reasonable detail in Schedule I hereto together with the name and address of the person, firm, or corporation to whom payment is due, which may include The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area for reimbursement of amounts expended, and any other payment instructions.
2. The bills, invoices, or statements of account for each obligation referenced in Schedule I are attached hereto as Schedule II.
3. The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area hereby certifies that:
 - a. This written requisition is for payment of costs in connection with the issuance of the above-referenced Series 2010A Bonds and the specific purpose for which this request is made is described in Schedule I.
 - b. The disbursement is for payment of a Special Service.
 - c. Such Special Service has been completed in accordance with the terms of the agreement entitled "Agreement Between the Village of Wonder Lake and The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area - Wonder Lake Dredging Project" (the "Agreement").
 - d. Payment instructions sufficient to make the requested payment are set forth in Schedule I.
 - e. No portion of the amount being requested to be disbursed was set forth in any previous request for disbursement.

- f. The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area is not in default under the Agreement.

The Master Property Owner's Association, Inc.
For the Wonder Lake, Illinois Area

By: _____

Name: _____

Title: _____

Date Request for Payment received:

_____, 20__

Inspected and approved for payment

By: _____

Name: _____

Title: Village Engineer

**VILLAGE OF WONDER LAKE
MCHENRY COUNTY, ILLINOIS
\$620,000 SPECIAL SERVICE AREA NUMBER NINE
UNLIMITED AD VALOREM TAXABLE SPECIAL TAX BONDS
SERIES 2010A (WONDER LAKE DREDGING PROJECT)**

**CLOSING CERTIFICATE OF
THE MASTER PROPERTY OWNER'S ASSOCIATION, INC.
FOR THE WONDER LAKE, ILLINOIS AREA**

William Blair & Company, L.L.C.
222 West Adams Street
Chicago, Illinois 60606

Village of Wonder Lake
4444 Thompson Road
Wonder Lake, Illinois 60097

The undersigned being the President of The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area (hereinafter the "Association"), an Illinois not-for-profit corporation, and the owner of a portion of the property within the Village of Wonder Lake, McHenry County, Illinois Special Service Area Number Nine, is delivering this certificate to you at your request in connection with the Bond Purchase Agreement (the "Purchase Agreement"), dated March 10, 2010, among William Blair & Company, L.L.C., the Association and the Village of Wonder Lake, Illinois. Capitalized terms not otherwise defined herein have the same meanings ascribed to them in the Purchase Agreement.

The undersigned hereby certifies on behalf of the Association as follows:

1. The Association is an Illinois not-for-profit corporation duly and validly organized under the laws of the State of Illinois and exists in good standing under the laws of the State of Illinois and is duly qualified to enter into the transactions contemplated by the Agreement Between The Village of Wonder Lake and The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area Wonder Lake Dredging Project dated as of March 25, 2010 (the "Agreement") between the Village and the Association. Attached hereto as

Exhibit A is a true and correct copy of the Articles of Incorporation of the Association. Attached hereto as Exhibit B is a true and correct copy of the certificate of the Secretary of State of the State of Illinois as to the good standing of the Association. Attached hereto as Exhibit C is a true and correct copy of the Bylaws of the Association and attached hereto as Exhibit D is a true and correct copy of the resolutions adopted by the Board of Directors of the Association.

2. The Association has duly authorized and directed the execution and delivery of the Agreement and the Purchase Agreement relating to the \$620,000 Village of Wonder Lake Special Service Area Number Nine Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A (Wonder Lake Dredging Project) (the "Bonds").

3. All authorizations, resolutions and actions of the Association necessary in connection with (i) the construction and development of the Project (as defined in the Agreement); and (ii) the transactions contemplated in the Agreement and the Purchase Agreement have been duly adopted or obtained, are in full force and effect, and have not been modified, amended or repealed; no further consent of any officer or board member of the MPOA, or any other person, entity, governmental authority or regulatory body whatsoever is required for the performance by the Association of its obligations pursuant to the Purchase Agreement and the Agreement.

4. Neither the Association nor any of its affiliates, has filed for reorganization and no petition by or against the Association or any of its members or affiliates has been filed under the United States Bankruptcy Code or under any similar act at any time.

5. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending, or to the knowledge of the undersigned, threatened by or against the Association: (i) in any way

questioning the due formation and valid existence of the Association; (ii) in any way questioning or affecting the validity of the Agreement or the Purchase Agreement or the consummation of any of the transactions contemplated thereby; (iii) in any way questioning or contesting the validity of any governmental approval of the Project or any aspect thereof; or (iv) which would have a material adverse effect upon the financial condition of the Association or the ability of the Association to perform its obligations under the Agreement with respect to the Project.

6. The representations and warranties with respect to the Association contained in the Agreement and the Purchase Agreement are true, correct and complete in all material respects as of the date hereof.

7. The Association has all necessary permits and licenses to conduct its operations as presently being conducted, subject to minor exceptions and deficiencies which do not materially and adversely affect the conduct of its operations.

8. The Project is in compliance with all applicable laws, ordinances and governmental rules and regulations, including, but not limited to, zoning and pollution control laws, ordinances and regulations.

9. The Association has complied with all agreements and conditions of the Purchase Agreement and the Agreement to be performed or satisfied by the Association on or prior to the issuance of the Bonds.

Dated: March 22, 2010

THE MASTER PROPERTY OWNER'S
ASSOCIATION, INC. FOR THE WONDER
LAKE, ILLINOIS AREA, an Illinois not-for-
profit corporation

By: *Richard C. Hilton*
Its: President

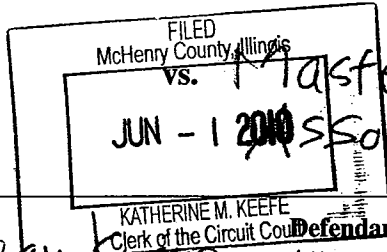
CIRCUIT COURT FOR THE 22ND JUDICIAL CIRCUIT

21
(204)

STATE OF ILLINOIS }
COUNTY OF MCHENRY } SS

GEN. NO. 10 CH 1004
 Jury Non-Jury

Mathews



Master Property Owners Association

Date 6/1/10

Plaintiff's Attorney

Dean Krone

Defendant's Attorney

James Kelly

ORDER

This case coming before the Court for status and on Defendant's motion to add necessary parties and motion to expedite case, and all parties appearing by counsel, IT IS ORDERED:

- 1) Defendant's motion to add parties is granted and Plaintiff is given leave to file its Third Party Complaint.
- 2) Defendant's motion to expedite is granted.
- 3) Discovery cut-off is set for July 30, 2010.
- 4) Trial is set for ~~July~~ August 17, 2010, at 10:00 a.m.
- 5) Status previously set for August 11, 2010, is stricken.

APL

Prepared by:

Dean Krone

Attorney for:

Defendant

Attorney Registration No.:

6190868

Judge

Michael A. Caldwell

FIRM NO. 26941

IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT
McHENRY COUNTY – WOODSTOCK, ILLINOIS

FILED

JUN 01 2010

KATHERINE M. KEEFE
McHENRY CTY. CIR. CLK.

THOMAS P. MATHEWS,)
)
Plaintiff,)
)
v.)
)
MASTER PROPERTY OWNERS)
ASSOCIATION,)
)
Defendant.)

No. 10 CH 1004

THE MASTER PROPERTY OWNERS')
ASSOCIATION, INC. FOR THE WONDER)
LAKE, ILLINOIS AREA,)
)
Third-Party Plaintiff,)
)
v.)
)
WOODED SHORES PROPERTY OWNERS)
ASSOCIATION, INC. and the WOODED)
SHORES PROPERTY IMPROVEMENT)
ASSOCIATION,)
)
Third-Party Defendants.)

THIRD PARTY COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

NOW COMES the Defendant, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area (hereinafter "MPOA" or Third-Party Plaintiff), by and through its attorneys Dean W. Krone and Steven M. Richart of Hodges, Loizzi, Eisenhammer, Rodick & Kohn, LLP, pursuant to Section 2-406 of the Illinois *Code of Civil Procedure*, and states the following as its third party complaint:

I. Parties

A. The MPOA

1. The Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area (hereinafter "MPOA") was incorporated in 1965 and is, and at all times since has been, an Illinois not-for-profit corporation in good standing.

2. The MPOA was formed, among other purposes, to maintain the body of water known as Wonder Lake and owns most of the lake bottom property. A true and accurate copy of the MPOA's By-Laws is attached hereto as Exhibit 1.

3. The MPOA's members are homeowner associations representing the owners of properties in several subdivisions in the Wonder Lake area and representatives of other property in the Wonder Lake area that have not been subdivided, all of whom enjoy lake rights. See Exhibit 1 at Articles I and II.

4. Each MPOA member is represented by a director, and each director casts a weighted vote that reflects the size of the subdivision that he or she represents. See Exhibit 1 at Article VI Section 3 and Article VII Section 1.

5. Each MPOA member pays dues to the MPOA in an amount that reflects the size of the subdivision represented. Dues are collected annually from lot owners and remitted annually to the MPOA by each member. See Exhibit 1 at Article X.

B. Thomas P. Mathews

6. The Plaintiff and Counter-Defendant in this action, Thomas P. Mathews ("Mathews"), is a member and director of the MPOA by virtue of his ownership of unsubdivided property. See Article I. He is also an incorporator of the Mathews Corporation (see paragraph 7 below) and filed the initial Complaint in this matter seeking to invalidate actions taken at an MPOA meeting on March 22, 2010. The Complaint alleges that the votes cast by the Original Corporation (see paragraph 8 below) were unauthorized because the Original Corporation allegedly does not represent the property owners in the Wooded Shores Subdivision and is not an MPOA member.

C. Mathews Corporation (Wooded Shores Property Owners Association, Inc.)

7. The Wooded Shores Property Owners Association, Inc. (the "Mathews Corporation") is an Illinois not-for-profit corporation created in 2007 by Mathews.

D. Original Corporation (Wooded Shores Property Improvement Association, Inc.)

8. The Wooded Shores Property Improvement Association, Inc. ("Original Corporation") is an Illinois not-for-profit corporation created in 1945. Since 1945, the Original Corporation has exercised the duties and responsibilities of the Lot Owners' Association under the covenants and restrictions of the Wooded Shores Subdivision by collecting assessments from individual lot owners and maintaining roads and common grounds. Its current Bylaws are attached hereto as Exhibit 2.

II. The Wooded Shores Subdivision and Its Lot Owners' Association

9. The Wooded Shores Subdivision was created in 1935 and is located within the MPOA area.

10. The following language is contained in the deeds to each lot in the Wooded Shores Subdivision:

[G]rantees . . . agree to become members of the Lot Owners' Association to be hereafter formed of lot owners in said subdivision and agree to become a member by representation of the Master's Association hereafter to be formed of all owners in Wooded Shores, and agree to be governed by all the rules, regulations and the by-laws hereafter made by either the said Associations or the grantors herein. The Lot Owners' Association to be formed to govern and have supervision of the drives and community grounds of said subdivision, the Master's Association to govern the dam, Wonder Lake, and to provide suitable means for the upkeep thereof

11. The Lot Owners' Association under this covenant was incorporated in 1945 as an Illinois not-for-profit corporation under the name "Wickline Bay Farms Property Owner's Association, Inc." (the "Original Corporation").

12. In 1953, the Original Corporation changed its name to the "Wooded Shores Property Owners Association, Inc." The name was changed again in 2007 to "Wooded Shores Property Improvement Association, Inc."

13. For decades, and under three (3) separate corporate names, the Original Corporation has collected annual assessments from property owners in the Wooded Shores Subdivision, and the property owners have paid these dues and been members of the Original Corporation.

14. For decades, the Original Corporation has had to occasionally enforce unpaid assessments through judicial action in the McHenry County Circuit Court, including actions against Mathews himself (e.g. No. 92 SC 676), and has been successful in such actions.

15. For decades, the Original Corporation has used the annual dues collected from members to maintain and govern the roads and common grounds in the Wooded Shores Subdivision, to provide for liability insurance protecting property owners in the Wooded Shores Subdivision against injury on privately maintained roads, beaches and the lake and against dam failures, and for other purposes to benefit property owners in Wooded Shores Subdivision.

16. For decades, the Original Corporation has held annual membership meetings and directors' meetings, has provided notice to property owners of such meetings, and has conducted business in accordance with its corporate charter, bylaws and applicable law.

17. Since 1965, the Original Corporation has exercised the duties and responsibilities of an MPOA member, including payment of annual dues to the MPOA, appointment of an MPOA director and participation in MPOA votes through said director

18. At no time prior to 2006 did any property owner in the Wooded Shores Subdivision, including Mathews, ever challenge the legitimacy of the Original Corporation as the Lot Owners' Association under the covenants and restrictions of the Wooded Shores Subdivision or its MPOA membership or its ability to vote in the MPOA.

III. Mathews' Misappropriation of Corporate Name

19. On September 3, 2002, the Illinois Secretary of State administratively dissolved the Original Corporation due to inadvertent failure to file an annual report. Unaware of the administrative dissolution, the Original Corporation continued to conduct business as the Lot Owners Association for the Wooded Shores Subdivision and as MPOA member and continued to be recognized by MPOA and participate in MPOA votes.

20. On June 5, 2007, without input or consent from the lot owners in the Wooded Shores Subdivision or from the MPOA, Mathews incorporated a new not-for-profit corporation under the Original Corporation's name of "Wooded Shores Property Owners Association, Inc." (the "Mathews Corporation").

21. The Mathews Corporation has never assessed or collected dues from property owners of the Wooded Shores Subdivision.

22. The Mathews Corporation has never held any meetings or complied with corporate formalities under the *Illinois General Not-for-Profit Corporation Act of 1986*.

23. The Mathews Corporation has never remitted any dues to the MPOA.

24. The Mathews Corporation has never been recognized as an MPOA member or participated in any MPOA votes or actions.

IV. Original Corporation's Reinstatement

25. At all times pertinent hereto, Section 112.45(a) of the *Illinois General Not-for-Profit Corporation Act of 1986* authorizes a corporation that has been administratively dissolved to file an application for reinstatement.

26. On August 1, 2007, the Original Corporation completed an Application for Reinstatement and submitted it to the Secretary of State with all required missing annual reports and required fees. Because the Mathews Corporation had taken the Original Corporation's name, the Original Corporation was forced to file Articles of Amendment to change its corporate name to "Wooded Shores Property Improvement Association, Inc."

27. On August 8, 2007, the Secretary of State accepted and placed on file the Original Corporation's Application for Reinstatement, annual reports and Articles of Amendment.

28. Section 112.45(d) of the *Illinois General Not-for-Profit Corporation Act of 1986* provides as follows regarding reinstatement of a corporation following administrative dissolution:

Upon the filing of the application for reinstatement, the corporate existence shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the corporation shall stand revived with such powers, duties and obligations as if it had not been dissolved; and all acts and proceedings of its officers, directors and members, acting or purporting to act as such, which would have been legal and valid but for such dissolution, shall stand ratified and confirmed.

805 ILCS 105/112.45(d).

29. Despite being advised of the reinstatement of the Original Corporation, Mathews continues to send misleading correspondence to lot owners in the Wooded Shores Subdivision and otherwise claim that the Original Corporation is unauthorized and is not an MPOA member, and that the Mathews Corporation is the authorized Lot Owners Association for the Wooded Shores Subdivision and MPOA member.

COUNT I: DECLARATORY RELIEF

30. The MPOA and the Original Corporation have a tangible legal interest in the status of the Original Corporation as MPOA member and in the authority of the Original Corporation to collect and remit dues to the MPOA and participate in MPOA votes.

31. Mathews and the Mathews Corporation have an opposing interest in the status of the Original Corporation as MPOA member and in its authority to collect dues and participate in MPOA votes.

32. An actual controversy exists among the parties, the resolution of which will be aided by the Court's determination in this matter.

WHEREFORE, the Third-Party Plaintiff, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area, asks the Court to enter a declaratory judgment declaring that the Original Corporation (now known as "Wooded Shores Property Improvement Association, Inc.") is the legitimate Lot Owners Association under the covenants and restrictions for the Wooded Shores Subdivision; declaring that said Original Corporation is and has been an authorized member of the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area; declaring that the votes taken at the MPOA directors' meeting on March 22, 2010, are valid; and awarding such other and further relief as the Court deems just.

COUNT II: INJUNCTION

33. The MPOA restates, realleges, and incorporates herein by reference, the allegations contained in paragraphs 1-32 of its Third Party Complaint, as if fully set forth herein.

34. The MPOA and the Original Corporation each possesses a certain and clearly ascertainable right in (a) their votes being counted and recognized appropriately; (b) their own corporate names and/or the names of corporate members not being appropriated or used by others, such as the Mathews Corporation, to make false claims to MPOA membership to obtain control of more MPOA votes for themselves; and (c) their own corporate names and/or corporate members' names not being assumed by others for the purpose of creating confusion and deceiving the public and interfering with relations with members.

35. The MPOA and the property owners in the MPOA area have suffered and will continue to suffer irreparable harm if Mathews and the Mathews Corporation are allowed to continue to use the former corporate name of the Original Corporation, as such use is intentionally confusing to lot owners and is the basis for false claims that MPOA directors, officers and votes are unauthorized.

36. In addition, the McHenry County Board has approved an application by the MPOA to finance a portion of a current dredging project using Recovery Zone Facility Bonds. These bonds would save property owners in the MPOA area approximately \$1.3 million in interest costs during the amortization period as compared with the alternative special service area bonds. McHenry County will not issue the Recovery Zone Facility Bonds while this litigation is pending, as issuance of the bonds depends on the validity of the MPOA votes taken on March 22, 2010, as well as the MPOA's ability to render future votes involving the Original Corporation that will not be subject to Mathews' false claims. Losing the Recovery Zone Facility Bonds would result in the property owners' permanent, irreparable loss of \$1.3 million.

37. There is no adequate remedy at law for Mathews' and the Mathews' Corporation's usurpation of the name of an MPOA member and its resulting confusion and undermining of the authority of MPOA's corporate acts, nor is there an adequate remedy at law for the property owners' permanent loss of \$1.3 million in avoidable interest costs.

WHEREFORE, the Counter-Plaintiff, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area, asks the Court to enter an injunction:

(a) enjoining Thomas P. Mathews and the Mathews Corporation (currently known as "Wooded Shores Property Owners Association, Inc.") from claiming that the Mathews Corporation is a member of the Master Property Owners' Association; and

(b) enjoining Thomas P. Mathews and the Mathews Corporation from representing the Mathews Corporation as the "Wooded Shores Property Owners Association, Inc." or holding out the Mathews Corporation as representing or acting on behalf of property owners in the Wooded Shores Subdivision;

(c) enjoining Thomas P. Mathews and the Mathews Corporation from assuming any former corporate name of the Wooded Shores Property Improvement Association, Inc.; and

(c) ordering Thomas P. Mathews and the Mathews Corporation either to voluntarily dissolve or file Articles of Amendment to change the corporate name of the Mathews Corporation and to file said dissolution or Articles of Amendment with the Illinois Secretary of State's office; and

(d) awarding such other and further relief as the Court deems proper and just.

Respectfully submitted,

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

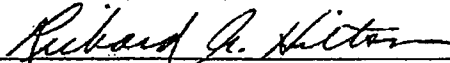
By: Dean Krone
One of its Attorneys

Dated: June 1, 2010

Dean W. Krone – ARDC# 6190868
Steven M. Richart – ARDC# 6287195
Hodges, Loizzi, Eisenhammer,
Rodick & Kohn, LLP
3030 Salt Creek Lane, Suite 202
Arlington Heights, IL 60005
(847) 670-9000
Firm I.D. #: 26941

VERIFICATION

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matter therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.




Richard Hilton, President

The Master Property Owners Association, Inc.
for the Wonder Lake, Illinois Area

CERTIFICATE OF SERVICE

I, Dean W. Krone, an attorney, certify that I caused a true and correct copy of the foregoing Third Party Complaint, and Notice of Filing thereof, to be served upon James P. Kelly, Matuszewich, Kelly & McKeever, LLP, 453 Coventry Lane, Suite 104, Crystal Lake, Illinois 60014, on this 1st day of June, 2010, postage prepaid by First Class Mail, deposited at 3030 Salt Creek Lane, Arlington Heights, Illinois, before 5:00 p.m.

By: 
Dean W. Krone

Dean W. Krone, ARDC# 6190868
Steven M. Richart – ARDC# 6287195
Hodges, Loizzi, Eisenhammer,
Rodick & Kohn, LLP
3030 Salt Creek Lane, Suite 202
Arlington Heights, IL 60005
(847) 670-9000
Firm I.D. #: 26941

ARTICLE I

Section 1. The name of this corporation shall be MASTER PROPERTY OWNERS ASSOCIATION, INCORPORATED.

Section 2. This Corporation (hereinafter referred to as the M.P.O.A.) is an Illinois not for profit corporation, chartered by the Secretary of State on September 18, 1965, as provided by the General Not For Profit Act of Illinois, approved July 17, 1943, in force January 1, 1944.

Section 3. The principal office of the M.P.O.A. shall be located in the area known as Wonder Lake situated in McHenry and Greenwood Townships, McHenry County, Illinois.

Section 4. This Constitution and the By-Laws together shall be taken and applied as the code of rules adopted for the regulation and management of the affairs of the M.P.O.A.

Section 5. The term Wonder Lake, Illinois Area as used herein shall be considered as consisting of only that property which has lake rights by or through deeds, contracts, or agreements of the Wonder Lake Syndicate and/or the M.P.O.A.

Section 6. The M.P.O.A. consists of the following subdivisions and un subdivided property.

1. Deep Springs Woods Country Club Association
2. Deep Springs Woods Property Owners Association, #1
3. Hickory Falls Property Owners Association, #1 & #2
4. Hickory Falls Property Owners Association, #3
5. Highland Shores Property Owners, Inc.
6. Indian Ridge Improvement Association, Inc.
7. Lookout Point Community Association, Inc.
8. Mathews Undeveloped Property
9. Edwin McGuire/Josel Ceisel
10. Eric McGuire
11. Oakwood Shores
12. St. Francis Heights
13. Shore Hills Country Club
14. Sunrise Ridge Property Owners Association, Inc.
15. Sunrise Ridge Estates
16. White Oaks Bay Property Owners Association, Inc.
17. Widwood Association, Inc.
18. Wonder Center Property Owners Association, Inc.
19. Wonder Woods Property Owners Association, Inc.
20. Wooded Shores Property Owners Association, Inc.
21. Unsubdivided property with lake rights as described in Article II, Section 2, owned by the David Joslyn Trust

(Revised 9-13-00)

THIRD PARTY
COMPLAINT
EXHIBIT

1

ARTICLE II

PURPOSE

Section 1. To conduct and promote the Wonder Lake Recreation Area for the improvement of civic and social welfare and to control and maintain the lake bottom and other community property pertinent thereof, and do any and all acts necessary to further said objects..

Section 2. To limit the use of Wonder Lake to those property owners who have lake rights by or through deeds, contracts or agreements with the Wonder Lake Syndicate or the M.P.O.A.

ARTICLE III
MANAGEMENT

Section 1. Subject to the approval of the Directors, the M.P.O.A. shall be managed by a Board consisting of five (5) officers.

Section 2. The officers of the M.P.O.A. Board shall be:

President
1st Vice-President
2nd Vice-President
Secretary
Treasurer

and shall constitute the managing body of the M.P.O.A. All officers shall rank in the order herein named and preside accordingly in the absence of the President.

ARTICLE IV
ELECTION OF OFFICERS

Section 1. Officers shall be elected by a majority vote of the Assembly of Delegates at the regular September Delegates' Convention

Section 2. Elected officers may be either directors or delegates, except that no two (2) officers may be elected from the same subdivision or unsubdivided property.

Section 3. All officers shall be elected to hold office for a term of two (2) years or until their successors are elected.

Section 4. Officers will be elected in the following sequence:

- A. Even Year Terms:
 - President
 - 2nd Vice-President
 - Treasurer

- B. Odd Year Terms:
 - 1st Vice-President
 - Secretary

and will take office on the 1st day of January the year following their election.

Section 5. A nominating committee of three (3) directors will be appointed from the floor by the President, subject to approval by the directors at the regular June Directors' meeting. The nominating committee will interview possible candidates (directors or delegates) for office on the M.P.O.A. Board, and submit their recommendations to the M.P.O.A. secretary one month before the regular September Delegates' Convention.

Section 6. Nominations from the floor and write-in candidates will also be accepted at the regular September Delegates' Convention.

Section 7. The election for any office must be by secret ballot. Three (3) tellers (delegates) will be appointed by the President (subject to approval by the delegates) to take charge of such balloting and to report the results thereof to the presiding officer. After the results of the balloting have been confirmed, announced, and recorded, the tellers will immediately destroy the ballots.

ARTICLE V
DUTIES OF OFFICERS

Section 1. Subject to approval by the Directors the officers shall manage and direct the activities and business of the M.P.O.A. and, by appointment, fill all officer vacancies.

Section 2. The officers shall prepare an Annual Balanced Budget which shall be presented for approval at the regular September Convention. The budget shall list the basic categories of M.P.O.A. income and expenditures and shall be distributed to all delegates along with the mailed notice of the regular September Convention. Following approval of the proposed Annual Balanced Budget by the Delegates, all future budgetary amendments must have Director approval.
(Revised 9/11/96)

Section 3. The officers may obtain legal advice when they feel it is necessary. Their records shall show the written legal advice on which they acted or refrained from acting.

Section 4. The President shall be the Chief Executive Officer of the M.P.O.A. and shall preside at all meetings and call special meetings when necessary or legally requested to do so. The President may appoint committees and/or commissions (subject to approval by the directors) and have general supervision of all matters pertaining to the M.P.O.A.

Section 5. The President shall be ex-officio member of all committees and/or commissions.

Section 6. Nothing herein shall prohibit the President from appointing any member property owner possessing specialized training, knowledge or experience, who is not a delegate or director to any committee or commission.

Section 7. It shall be the duty of the 1st and 2nd Vice-Presidents to assist the President, and, in his/her absence, act in the order named in the performance of the duties of the President.

Section 8. The Secretary shall be responsible for the minutes of all Directors' and Delegates' meetings, conduct correspondence, issue notices, keep the roll of Officers, Directors, Delegates, and Committees/Commissions, and discharge such other duties as pertain to his/her office as assigned by the President.
The Secretary shall also prepare all bills, notices of dues payable and shall be the recipient of such dues, also keeping proper account. All monies collected will be transferred to the Treasurer.

The Secretary will prepare a voucher for all bills approved by the officers and present the vouchers to the Treasurer for payment.

Section 9. The Treasurer shall receive all monies collected by the Secretary and shall deposit the same in a suitable bank or trust company previously approved by the officers. The Treasurer shall not disburse any monies without an approved voucher. All checks must be signed by any two officers. The Treasurer will prepare monthly reports to the officers..

Section 10. A Recording Secretary may be appointed by the President (subject to approval by the directors). His/her duties will be to take minutes of all meetings and such other duties as the Secretary may assign

The Recording Secretary need not be a delegate or director and may be paid a salary as determined by the directors.

Section 11. The accounts of the Secretary and the Treasurer shall be examined by a CPA who shall be appointed by the officers. An annual audit shall be prepared except that the President shall have the authority to request an audit at any time in addition to the annual audit. The annual audit shall be for the fiscal year ending December 31 and must be completed by June 30 of the following year. A copy of the annual audit must be given to each Director

Section 12. Upon a two thirds (2/3) vote of the assembly of delegates, any officer may be removed from his/her office for failure to attend three or more meetings without reasonable justification or for failing to perform other duties of office. Written notice of the proposed removal shall be mailed to or personally served upon the officer at least 20 days prior to the meeting at which action is to be considered.

ARTICLE VI
REPRESENTATION

Section 1. Member subdivisions and unsubdivided property shall be represented accordingly:
Subdivisions shall be represented by one (1) delegate for each one hundred (100) lots or fraction thereof.

Unsubdivided property shall be represented by one (1) delegate for each twenty(20) acres or fraction thereof.

Each Delegate shall be entitled to one (1) vote.

Section 2. Delegates may be either elected or appointed according to the by-laws or agreements of their respective subdivision or unsubdivided property.

Section 3. The delegate(s) from each subdivision or unsubdivided property(s) shall select one of their number, as their director, to represent them at the directors' meetings.

Section 4. Thirty (30) days prior to the regular September Delegates' Convention, each member subdivision or unsubdivided property must provide the Secretary of the M.P.O.A. with the name, address and telephone number of its Delegate(s) and their Director.

ARTICLE VII
VOTE ALLOCATION

Section 1. At Directors' meetings, each director's vote shall be weighted according to the same formula for delegates established in Article VI, Section 1, except that the number of delegates represented by each individual director shall first be taken into account before the formula is applied.

Section 2. At Delegates' Conventions each delegate or delegate's proxy shall have one (1) vote.

Section 3. Voting Options.

Yes - Supports the motion.

No - Does not support the motion.

Pass/Abstain - shall be counted with the prevailing side.

A Director or Delegate has the right to change his/her vote up to the time the vote is finally announced. After that, he/she can make the change only by permission (a majority vote) of the assembly.

ARTICLE VIII
PROXY REPRESENTATION

Section 1. Directors

Directors will not be permitted to vote by proxy.

Section 2. Delegates

When a delegate is unable to attend a particular Convention Meeting, he/she may grant a proxy to another delegate from his/her subdivision or unsubdivided property.

When a subdivision or unsubdivided property is represented by only one (1) delegate, that delegate may grant his/her proxy to another member of his/her subdivision or unsubdivided property, subject to approval by his/her subdivision or owners of the unsubdivided property.

Section 3. When a subdivision or unsubdivided property is represented by only one (1) delegate, that delegate will be considered their director. Consequently, the rule for representation for directors will apply for Directors' Meetings and the rule for delegates' representation will apply for Delegates' Conventions.

Section 4. All proxies must be executed in writing by the delegate or the delegate's duly authorized attorney in-fact and may carry instructions as to their use. Proxies shall be presented to the Secretary and their substance noted in the minutes of the meeting.

Section 5. The Secretary shall provide the appropriate proxy form with instructions to be sent with each notice of a meeting.

ARTICLE IX
MEETINGS

Section 1. Regular Directors' Meetings will be held on the second Wednesday of the month, at seven (7) P.M. The place for each meeting will be determined by the officers. The officers will set the agenda. However, any director may place an item on the agenda for consideration at the next meeting.

A quorum of the officers may call a Special Directors' Meeting at any time.

Section 2. The Convention of Delegates will be held on the second Wednesday of September, before the regular September Directors' Meeting.

A quorum of the officers may call a Special Convention meeting at any time.

Section 3. The Secretary shall mail written notification of regular or special Directors' Meetings and regular or special Convention Meetings to all:

Directors
Delegates
Subdivision Secretaries
Owners of Unsubdivided Property

Written notification shall include:

An Agenda
Previous Minutes
Treasurer's Report

Such notification shall be postmarked no later than ten (10) days prior to the meeting unless the agenda includes any of the following items for consideration, in which case, notification shall be postmarked no later than twenty(20) days prior to the meeting:

Mergers
Consolidation
Dissolution or sale, lease or exchange of assets
Granting of lake rights
By-law amendments

Section 4. Order of Business.

The following order of business is intended as a guide to the Directors, Delegates and Officers in planning the agenda for the meetings. A change in the order the items appear on the agenda can be accomplished by a simple majority vote of the officers.

(Revised 9/13/95)

Directors' Meetings

Delegates' Convention

- | | |
|-----------------------------------|-----------------------------------|
| I. Call To Order | I. Call To Order |
| II. Establish Quorum - Roll Call | II. Establish Quorum - Roll Call |
| III. Approval of Previous Minutes | III. Approval of Previous Minutes |
| IV. Treasurer's Report | IV. Annual Budget |
| V. Communications | V. Election of Officers |
| A. Correspondence | VI. Public Comments |
| B. Public Comments | VII. Unfinished Business |
| VI. Committee/Commission Reports | VIII. New Business |
| VII. Unfinished Business | IX. Adjournment |
| VIII. New Business | |
| IX. Adjournment | |

Section 5. All discussion shall be limited to agenda items. Emergency matters may be considered if submitted in writing prior to the commencement of either Directors' or Delegates' Meetings and approved by a three-fourths (3/4) majority vote of the Assembly.

Section 6. A. The President may call emergency Directors' Meetings or emergency Delegates' Conventions on a minimum of one day notice by personal contact or telephone call to each director and/or delegate.

B. If the President is unavailable or refuses to call an emergency Directors' Meeting for any reason, the Vice-President or any other officer with concurrence of one (1) Director may call an emergency Directors' Meeting.

C. If the President is unavailable or refuses to call an emergency Delegates' Convention for any reason, a written request by twenty-five (25) or more delegates shall be sufficient to direct the officers to call an emergency Delegates' Convention.

Section 7. Quorum.

Three (3) officers shall constitute a quorum for all officers' meetings

Fifty (50) percent of all delegates of record and three (3) officers shall constitute a quorum for all Directors' or Delegates' Meetings.

ARTICLE X
DUES

Section 1. The amount of the regular yearly membership dues of the association shall be \$17.00 per lot owners' association lot and \$23.80 for each acre of unsubdivided property.
Revised 9/10/03)

The annual dues will be apportioned in such a manner as to cover the budgeted expenses of the dam and lake fund; general operating fund, mosquito abatement fund, lake renewal fund, contingencies and any additional budgeted expenses approved through the annual budget process outlined in Article V, Section 2.

Section 2. Bills shall be mailed to the subdivisions and to the owners of the unsubdivided properties beginning not later than March 1, 1995 and annually thereafter. Accounts shall not be considered delinquent until three months after billing. In computing the number of lots for the purpose of assessing dues, lots, beaches, and parks owned by the Lot Owners Associations, religious organizations and tax supported public bodies shall be exempt. The M.P.O.A. may increase or decrease dues as provided in Article XII, Section 1., but no increase or decrease shall be valid unless applied to both lots and unsubdivided acreage proportionally.

Section 3. All dues shall be paid to the Secretary of the M.P.O.A.

Section 4. A subdivision or unsubdivided property delinquent in the payment of dues as provided in Section 2 of this article shall not be entitled to vote and shall be so informed of the suspension in writing. The subdivision or unsubdivided property in arrears may, however, regain its original standing by the full and complete payment of all delinquent dues.

Section 5. All monies remaining delinquent shall be charged as a claim of lien against the subdivision or unsubdivided property which is in arrears, and it shall be the duty of the Treasurer and Secretary to institute such legal proceedings as will effectively protect said claim or lien of the M.P.O.A. against the subdivision or unsubdivided property and insure the collection of the delinquent dues. Any and all costs incurred in preparing and filing such claims or liens shall be added to the sum total of the dues and paid by the assessed before reinstatement.

Section 6. As a condition of membership in the M.P.O.A, any new subdivision and each present member subdivision within one year from the passage of these amended by-laws shall submit evidence to the M.P.O.A.:

1. That the subdivision is authorized pursuant to its by-laws to take legal action against any of the individual property owners, including the filing of a lien and/or small claims suit on the property, to enforce the collection of delinquent dues owed to the M.P.O.A.;
2. That the subdivision will enforce its rights to collect such delinquent dues for the benefit of the M.P.O.A.; or
3. That, in the alternative, the subdivision will pay the M.P.O.A. any and all delinquent dues of its members.

ARTICLE XI
GENERAL
ARTICLE XI
(Revised 2/8/06)
**LAKE RIGHTS, REGULATIONS FOR LAKE USE, AND
ISSUANCE OF FUTURE REGULATIONS**

Section 1. LAKE RIGHTS.

- A. Lake rights may be granted by the M.P.O.A. provided that the individual or entity requesting such a grant shall, at a minimum, document to the satisfaction of the M.P.O.A. that the property for which lake rights is requested shows a clear and certain means of access to the lake.
- B. Before lake rights can be granted or any real property belonging to the M.P.O.A. conveyed or otherwise disposed of or dedicated to the public, a Convention of Delegates must approve the proposed action by a 2/3 majority vote of the assembly.

Section 2. REGULATIONS FOR LAKE USE.

- A. **Hunting and Shooting.** No person shall be permitted to hunt or shoot on the waters of Wonder Lake, or on the property owned by the M.P.O.A., unless he or she has obtained a permit from the M.P.O.A. Conservation Commission, or is accompanied by a person who has a permit. The permit may be issued only to a person who has lake rights. The applicant must agree in writing to:
 - 1) Comply with all State and Federal regulations as well as all flowage agreements.
 - 2) Indemnify, hold harmless, and defend the M.P.O.A. and the owners of land overflowed by waters of Wonder Lake, as evidenced by a copy of the certificate of insurance showing such coverage.
 - 3) The holder of the permit shall be responsible for the acts of his/her guests or his/her family who may accompany him/her.
 - 4) In the event a person fails to comply with any of the above regulations, the permit shall be revoked.
- B. **Duck Blinds.** No person shall be permitted to build a duck blind on the waters of Wonder Lake, unless he or she has obtained a permit from the M.P.O.A. Conservation Commission. The permit may be issued only to a person who has lake rights. The applicant must agree in writing to:
 - 1) Comply with all State, Federal and applicable local regulations as well as all flowage agreements.
 - 2) Remove or cause to be removed all floating duck blinds within two weeks after the close of the duck hunting season.

- 3) Indemnify, hold harmless, and defend the M.P.O.A. and the owners of land overflowed by the waters of Wonder Lake as evidenced by a copy of the certificate of insurance showing such coverage.
- 4) The holder of the permit shall be responsible for the acts of his/her guests or his/her family who may use the blind.
- 5) In the event a person fails to comply with the above regulations, the permit shall be revoked.

C. Registration Decals. The following regulations apply to the issuance of decals and to those persons receiving decals.

- 1) M.P.O.A. registration decals are issued annually and are required to be affixed to all vehicles placed on and used in the waters of Wonder Lake, irrespective of size or propulsion.
- 2) Registration decals may be obtained at the M.P.O.A. office or by mail. (Revised 9/10/03.)
- 3) The M.P.O.A. decal shall be placed on the right (starboard) side of the vehicle windshield. If there is no windshield, the decal shall be affixed on the right (starboard) side of the hull, but not next to or near the Illinois Registration numbers or State sticker.
- 4) M.P.O.A. recreational Guest decals may be issued by member subdivisions and unsubdivided property owners to members of their respective subdivision or to owners of their respective unsubdivided property, who expect their guests to temporarily place a recreational vehicle on the waters of Wonder Lake for a period not to exceed 72 consecutive hours. (Revised 9/13/95.)

Members who are issued a Guest decal shall be responsible for the acts of their guest.

- 5) All subdivisions and owners of unsubdivided property are required to provide the M.P.O.A. office with an annual report by November 1st of each year, of the recreational Guest decals issued. (Revised 9/10/03.)

D. Use of Aircraft. The use of aircraft in and on Wonder Lake is prohibited except in case of proven emergency as authorized by the M.P.O.A. through its Directors.

The landing, take off and mooring of aircraft on Wonder Lake in violation of the prohibition shall subject the owner/operator to a fine of \$1,000.00 for each separate offense, to be construed as each unpermitted use of the seaplane and each day the seaplane is moored in violation of the prohibition except where the M.P.O.A. through its Directors has authorized the emergency use and mooring of the seaplane. The determination that a violation has occurred shall be made by the Directors.

Section 3. AUTHORITY TO ISSUE FUTURE REGULATIONS.

From and after the date of the Amendment to the By-laws dated February 8, 2006, the Directors are hereby authorized to promulgate additional regulations governing the use and enjoyment of the lake by its permitted users, as well as penalties for the violation thereof, provided that any such regulations and penalties shall be valid only upon the vote of a two-thirds (2/3) majority of Directors present at a special meeting called for such purpose, or at a regular meeting of Directors. Furthermore, no vote on new regulations may be taken unless and until notice of any intended vote on a proposed regulation, along with a copy of the meeting agenda, shall have been served in accordance with the procedures applicable to notice of meetings set forth in Article IX, Section 3 of these By-Laws, nor will any new regulations approved by the requisite vote of the Directors become effective until fourteen (14) days following the date such regulations in their approved form are served in accordance with the said procedures for service of notice. The Directors shall maintain a current written list of all regulations and their penalties, which list shall be available for inspection and copying in the office of the MPOA.

Section 4. PENALTIES.

Except for the violation described in Section 2D above, persons found to be in violation of any regulations set forth in this Article XI or issued by the Directors pursuant to Section 3 are subject to fines established by the Directors consistent with the specific regulations adopted by the Directors in accordance with Section 3 above, provided that the Directors shall set a minimum and maximum penalty for the violation of each regulation. Each day of a continuing violation shall be deemed a separate offense. The Directors shall establish written procedures available to members for notifying any lake users of violations they have committed and of the penalties associated with such violations. The Directors shall have the authority to waive or reduce the amount of any penalties assessed against a lake user who has violated an MPOA regulation when compliance has been prompt, or when a reasonable explanation for the alleged violation has been presented to the Directors.

ARTICLE XII
BY-LAW AMENDMENTS

Section 1. These By-Laws may be amended at any regular or special Delegates' Convention by a two-thirds (2/3) majority vote of the assembly.

Section 2. The Secretary shall mail copies of the proposed By-Law amendments to all delegates, subdivision secretaries and owners of unsubdivided property. Such notification shall be postmarked no later than twenty (20) days prior to the convention at which the amendment(s) will be considered.

(Revised 9/11/96)

ARTICLE XIII
LEGAL SERVICES

If at any time the officers determine that it is necessary to employ professional legal services to enforce any of the provisions of these By-Laws, the Member against whom any such action is necessary shall be held liable for payment of all attorney's fees, as well as any damages, M.P.O.A. late charges, liens, and court costs.

ARTICLE XIV

All other rights and powers of the Corporation and of its Officers and Directors shall be governed by the Illinois Statute known as the "General Not for Profit Corporation Act" (805 ILCS 105/101.01 et seq) effective January 1, 1987 and any revision thereof or amendments thereto.

ARTICLE XV

The Temporary Constitution and By-Laws previously adopted on October 3, 1965 are hereby repealed.

ARTICLE XVI

The prior By-Laws adopted and became effective on January 30, 1966 with amendments added May 6, 1966 and July 15, 1966, and ratified unanimously at first Convention of Delegates on August 28, 1966, and updated as of January 31, 1981, September 14, 1994, September 13, 1995, September 11, 1996, September 13, 2000, April 24, 2002, September 10, 2003, and February 8, 2006.

ARTICLE XVII

Roberts Rules of Order shall apply in all instances where these By-Laws do not specifically apply.

REVISED BY-LAWS
WOODED SHORES PROPERTY IMPROVEMENT ASSOCIATION, INC.
(Passed Annual Meeting, Effective March 2, 2008)

ARTICLE I

Sec. 1. **NAME:** This organization shall be known as Wooded Shores Property Improvement Association, Inc (hereinafter "The Association").

Sec. 2. **LOCATION:** The principal office of the Association shall be located in the subdivision known and platted as "Wooded Shores Division of Farmlands" in McHenry Township of McHenry County, Illinois.

ARTICLE II

Sec. 1. **OBJECT OF THE ASSOCIATION:** The object of the Association shall be to maintain, improve, repair, and otherwise take care of the roads, beaches, parks, walks, community piers, etc. within said subdivision. The Association may acquire by purchase, if necessary, or by construction, a water supply system for the benefit of the community. It may also acquire by purchase or gift, any real property within or contiguous to the subdivision, or any person property as may be necessary for the benefit of the subdivision and its inhabitants for their use.

Sec. 2. The Association may sell or otherwise dispose of any real or personal properties acquired as allowed in Section 1 of this Article, when their use is deemed unnecessary or undesirable.

ARTICLE III

Sec. 1. **MEMBERSHIP:** Membership will consist of Property Owners by Fee Simple Joint Tenancy, (including Tenancy by the Entirety) or Tenancy in Common and their spouse in Wooded Shores. Such membership shall be held and maintained only in accordance with the By-Laws of the conveyances of record of any lot or lots in the subdivision; also any covenants and restrictions that are enforced on any property or subdivisions in Wonder Lake by virtue of a Master Property Homeowners Association of Wonder Lake, the recording of any whereof shall constitute the grantee or grantees named therein, members of this corporation subject to the regulation thereof.

Sec. 2. **NON-STOCK:** This corporation shall have no capital stock, and no pecuniary profits shall be paid to or be divided among its members.

ARTICLE IV

Sec. 1. **MANAGEMENT:** The property, business and affairs of the Association shall be managed and controlled by a Board of Directors to consist of seven (7) members of the Association, in good standing and one alternate, all of whom shall be elected from the membership at large.

Sec. 2. **ELECTION OF THE BOARD OF DIRECTORS, THE ALTERNATE AND SECRETARY-TREASURER:** Members of the Board of Directors, and Alternate and the Secretary-Treasurer shall be elected at the regular annual meeting by secret ballot prepared in advance. Any member of the Association who wishes to run for the Board of Directors, the Alternate or the Secretary-Treasurer should notify the Secretary at least seven (7) days prior to the annual meeting. Absentee members may cast their ballots by mail, but said ballots must be in the hands of the Secretary before the start of the annual meeting. The Secretary will deposit absentee ballots in the ballot box. No proxy ballots or proxy votes of any kind will be accepted. Absentee ballots should be sent in sealed envelopes. Additional nominees may be added to the ballot at the regular meeting. Such nominees must be present and accept their nomination. The Chairman is to appoint three (3) election judges who will count the ballots and

record the votes. These judged shall also determine the validity of the ballots. No candidate shall act as a judge of elections. A plurality of votes cast for any office is required for election.

Sec. 3. VACANCIES ON THE BOARD OF DIRECTORS: In case a vacancy occurs on the Board of Directors, for any reason, the Board will, by majority vote, elect any member of the Association to fill said vacancy immediately. The newly elected member will hold office until the next annual meeting when the vacated membership will be filled in the manner as stated in Sec. 2 of this Article.

Sec. 4. TERMS OF OFFICE OF BOARD, ALTERNATE AND SECRETARY-TREASURER: Each regular member of the Board shall retain his office for a term of three (3) years and until his successor is duly elected and qualified, except as otherwise provided. (See Removal of Board Member). The Alternate shall hold office for only one (1) year, and shall act as a member of the Board only when a regular member is absent. The Secretary-Treasurer shall hold office for only one (1) year.

Sec. 5. ELIGIBILITY: Any regular member of the Board will be allowed to succeed himself directly as a member of (or) alternate at the end of his three-year (3) term. A member who was elected to a vacancy or to an alternate may be a candidate for a regular three-year term. The Secretary-Treasurer may be allowed to succeed himself by regular vote. The chairman shall hold office no more than three (3) years in succession.

Sec. 6. REMOVAL OF DIRECTORS: By a majority vote of the Board of Directors, the Board may require the resignation of any of its members who have been convicted of a felony during his term of office, or who have been absent from three (3) consecutive regular meetings of the Board without good cause. The Board is to be the judge as to the reasonableness of the causes. Termination of membership in the Association shall automatically terminate membership on the Board. At least ten (10) days notice shall be given to the Director involved before his termination is to be considered for the above reason.

Sec. 7. BOARD OF DIRECTOR QUORUMS: At any regular or special meeting of the Board, the presence of at least four (4) members (including the Alternate) in person, and in good standing, will be considered a Quorum for the transaction of business. If a quorum is not present at the meeting of members, a majority of the members present may adjourn the meeting at anytime without further notice. Withdrawal of members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

~~Sec. 8. MANNER OF ACTING: The act of a majority of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by statute, these Bylaws or Articles of Incorporation.~~

Sec. 9. INFORMAL ACTION BY DIRECTORS: The authority of the Board of Directors may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all of the Directors entitled to vote.

ARTICLE V

POWERS OF THE BOARD OF DIRECTORS:

Sec. 1. GENERAL: The Board of Directors shall have the power and authority to exercise, manage and administer all powers and functions of the Association, and in addition thereto they shall have the power and authority to manage, operate, police and control all parks, passageways, parking places, streets, walks, beaches, shorelines, commonly owned piers, and all commonly owned privileges and properties pertaining to The Association, subject only to such rules and regulations as may be enacted and adopted by the Association to recommend the yearly dues necessary for the operation and maintenance of Wooded Shores for a period not longer than one (1) calendar year in advance to collect the dues and special assessments which are set by the members at the annual meeting or at any special meeting of the Association.

Sec. 2. POWER TO PURCHASE: The Board may also purchase or otherwise acquire, on behalf of the Association, any properties, either real or personal, or interests therein, on such terms and at such prices or for considerations as the Directors may deem proper, all subject to the ratifications of such acts by a majority-vote of those members present at a regular or special meeting, notice of such meeting having been mailed to each member of the Association at his last known post office address as shown on the records of the Association, at least ten (10) days prior to the meeting date.

ARTICLE VI

OFFICES OF THE BOARD AND COMMISSIONERS: Immediately after the annual meeting, the Board of Directors shall elect from its membership the following officers: a Chairman and Vice-Chairman as well as a MPOA Director and MPOA Delegate: The Chairman and Vice-Chairman so elected will also act as President and Vice-President of the Association. At their first meeting the Board shall select a Commissioner each for Roads, for Beaches and Community Piers, for Water Supply, for Buildings. Commissioners may be selected from the Board or from the membership at large, and shall hold office until the next annual meeting.

ARTICLE VII

Sec. 1. REGULAR ANNUAL MEETING OF THE ASSOCIATION: The regular annual meeting of the members of the Association for the election of board members, the Secretary/Treasurer, and for the transaction of other proper business of the Association shall be held on the first Sunday in March, at an appointed place in McHenry County. Notice of such meeting, the time and place, shall be given by the Secretary/Treasurer, in writing, to each member of the Association at his last known post office address as shown by the records of the Association, at least ten (10) days in advance of said meeting.

Sec. 2. SPECIAL MEETINGS: A special meeting of the Association may be called by the President, or by any two (2) Directors, or by any fifteen (15) members of the Association at any time. The President, Directors or members authorizing such meetings all give written notice of the time, the place and the purpose of such special meeting, by mail, at least ten (10) days in advance of such meeting date. Such notice shall be addressed to each member at his last known post office address as shown by the records of the Association.

Sec. 3. MEETINGS OF THE BOARD OF DIRECTORS: The Board will meet immediately after the annual meeting, on the same day, to elect officers. Other regular meetings are to be held at least quarterly and on such other dates as the Chairman of the Board may designate. Special meetings may be called by the Chairman or two (2) members of the Board. In all cases, five (5) days notice must be given by mail, giving time, place and main purpose of the meetings, unless a majority of the Board shall waive such notice.

ARTICLE VIII

Sec. 1. VOTERS, VOTING: Each member, as defined in Article I-Sec.1, is entitled to only one vote at all meetings of the Association or Board of Directors. Only one of a joint tenancy or tenancy in common is entitled to vote. A majority of votes cast is required for the passage of any resolution or motion duly seconded, except where otherwise stated in these By-Laws. No proxies will be accepted. Voters have the privilege of writing in names other than those appearing on the ballot containing regular nominees. Members not in good standing shall have no voting privileges. A member not in good standing is defined as one who has not paid dues, assessments or other levies for the year in which these levies were due.

Sec. 2. MEMBER QUORUMS: At any annual, regular or special meeting of the Association, the presence of at least ten percent (10%) of the membership in good standing, will be considered a Quorum for the transaction

of business. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting at anytime without further notice. Withdrawal of members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

ARTICLE IX

DUTIES OF OFFICERS AND COMMISSIONERS:

Sec. 1. PRESIDENT AND VICE-PRESIDENT: The President shall preside at all regular or special meetings of the Association, and act as Chairman of the Board of Directors. He shall supervise the affairs of the Association and make sure that all orders of the Association or Board are properly executed. The Vice-President shall assume the duties of the President in the event of his absence, disability or resignation. The chairman is Ex-officio a member of all committees.

Sec. 2. SECRETARY-TREASURER: The Secretary-Treasurer shall keep accurate minutes of all meetings of the Association and of the Board. He shall attend all sessions of the Association and the Board and shall act as clerk thereof, recording all notes and minutes of the proceedings in a book to be kept for that purpose. He shall give notice of all meetings of the Association and of the Board under whose supervision he shall be. He shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and deposit all moneys, special funds and other valuable effects in the name and to the credit of the Association in any accredited bank or banks in McHenry County, Illinois, as shall be approved by the Board. He shall disburse the funds of the Association as ordered by the Boards, taking proper vouchers and receipts for such disbursements and shall render to the Chairman and to the Board, by request, an account of all of his transactions as Secretary-Treasurer, and the financial condition of the Association. He may be required, if deemed essential, to give a satisfactory Bond to the Association for the faithful performance of his office and the restoration to the Association in case of his death, resignation, or removal from office of all books, papers, vouchers, moneys, or other property of whatever kind in his possession belonging to the Association. He is allowed to charge a usual and customary fee for letters requested concerning house closings, legal transactions, etc., which in no event shall exceed \$10 per hour. The Secretary shall send out statements before January 15.

Sec. 3. THE ROAD COMMISSIONER: Shall make all necessary inspection of the roads, street signs, walk lights, and parking spaces and recommend to the Board what maintenance and improvements he deems necessary. He shall be a member of, and chairman of any committee appointed to get bids on improvements to be made as voted by the Association or the Board. He is to inform the Board whether or not contractors have done work according to specifications, before payment for such work is made.

Sec. 4. THE BEACH COMMISSIONER: Shall make reports on park-beach conditions and follow the same instructions as given in Sec. 3 of this Article. He shall do all in his power to prevent and stop nuisances along the beaches and water areas, and enforce rulings prepared by the Board. He will report serious cases of infraction of rules to the Board for proper action. He may order people off the beaches, parks or piers when such people are not entitled to be there. He shall have general supervision of all Community Piers. He shall collect rentals for pier berths and issue permits for other launchings. He should make recommendations to the Board in regard to future improvements on piers, and rules governing their uses.

Sec. 5. THE-WATER COMMISSIONER: Shall, if the Association should ever construct or otherwise possess a Water System, keep watch on its proper working and generally supervise such system and make recommendations to the Board of Managers. He shall be the chairman of any committee that may be appointed to handle any transactions in regard to our water supply. In case of emergency, he is empowered to have necessary repairs made without consulting the Board.

Sec. 6. THE BUILDING COMMISSIONER: Shall inspect construction of any new buildings or any additions or alterations or alteration to older buildings; also septic systems, etc. to note whether or not permits have

been posted. He shall report to the Board any infractions of the County Building and Zoning Codes including the areas of vacant lots that may be purchased. He shall familiarize himself with building and zoning ordinances.

Sec. 7. THE MPOA DIRECTOR/DELEGATE: Shall represent the interest of the subdivision to the Master Property Owners Association in all matters that affect Wooded Shores Subdivision directly or indirectly. He shall be responsible for attending all notices meetings (regular or special) of the MPOA and shall keep minutes at said MPOA meetings and report to the Board of Directors to keep them informed. If the MPOA Director cannot attend a meeting for any reason, he is responsible for contacting a Board member to attend in his absence. The Director/Delegate shall be authorized to cast any vote on behalf of the subdivision only after a formal vote on the issue by the Board.

ARTICLE X

Sec. 1. DUES: The amount of the yearly dues, and any special assessments for the home and lot owners shall be set by the Association at its annual meeting. Multiple dues are to be paid by each member according to the number of lots improved with residential structures and the number of separate, vacant lots owned in Wooded Shores. A separate vacant lot is herein defined as a lot that receives a separate tax bill, is not improved with a residential structure and appears in the Wooded Shores Plat of Record dated April 7, 2004.

Sec. 2. EXCLUSIONS TO ANNUAL DUES ASSESSMENT: Subdivision Park properties and property owned by the Wooded Shores Property Improvement Association, Inc. are excluded from any and all dues and special assessments.

ARTICLE XI

COMMITTEES:

Sec. 1. SPECIAL COMMITTEES: The President of the Association or the Board may nominate or elect special Committees as conditions require, especially nominating and auditing committees. The first named or the first elected on such committees will act as chairman. The nominating committee is to present at least one willing candidate for each office to be filled.

Sec. 2. POWER TO ACT, OR REPORT FIRST: Whether or not certain committees are to act immediately or first report to the Board or Association about their assignments, will be determined by the Board by a majority vote, or by a majority vote of the Association.

Sec. 3. ADVANCING FUNDS TO THE COMMITTEE: The Board of Directors by the proper vote, will have the power to advance funds to committees when needed to carry on their work.

ARTICLE XII

PROPERTY REGULATIONS:

Sec. 1. GENERAL: All members are bound to construct buildings, occupy property and sell property in compliance with the original contract and deed.

Residential property shall not be used for any commercial purpose whatsoever with the exception of any gainful occupation or profession conducted within an enclosed dwelling unit which is clearly incidental and secondary to residential occupancy and does not change the character thereof. Such home occupation must meet the requirements of the current McHenry County Zoning Ordinance. No commercial signs, other than herein allowed, except for real estate, shall be posted on residential property.

Sec. 2. MAINTENANCE: A) Members agree to maintain their property in a slightly and sanitary condition ever mindful of public health and safety. No junk or debris shall be stored in their yards; this includes but is not limited to inoperable vehicles, equipment or machinery or worn out or decaying household goods or refuse of any type, in a manner which is physically offensive to the senses and thereby making the lives of neighboring residents and members uncomfortable. Any vehicle which is inoperable, abandoned, junked, has no valid license plates or registration, or has no valid insurance must be garaged or out of sight behind the house and covered. The Association shall have all vehicles not stored in pursuant to this paragraph towed and stored at the expense of the vehicle owner. The Association shall attempt, but is not required to provide seven (7) days notice prior to actual towing. If the vehicle is temporarily inoperable or is an antique by State of Illinois Statute, the property owner may request a waiver of this paragraph from the Board. Any functioning vehicle can be towed and stored at the owner's expense, if found in the roadway during snow plowing or road maintenance projects, without prior notice. The Association cannot be held responsible for any damage incurred during the towing and storage of any vehicles.

No garbage or trash shall be dumped or burned and no sewage emptied or permitted to flow on said property or any part of said subdivision. All garbage and trash cans shall be covered and kept in a slightly manner.

B) Only animals commonly considered household pets shall be kept in or about the premises.

C) Said property shall not be used for any purpose that may be or become a nuisance or annoyance to the community.

D) Members further agree to maintain the Association boat launch, parks, and beach in a sanitary and slightly condition ever mindful of public health and safety. No glass, cans or trash shall be littered in these areas. Building of fires in these areas is prohibited, except for cookouts.

Sec. 3. NON-COMPLIANCE: The following procedure shall be followed in the event of non-compliance with this Article:

A. Any member may report such non-compliance by filing with the Board of Directors a written and signed complaint specifying the time period involved, the locations and the surrounding circumstances. The Board of Directors shall investigate said complaint within seven (7) days of receipt of the complaint and shall determine whether further action should be instituted.

B. If the Board of Directors determines that a Member or Resident is in violation of these provisions, it shall promptly notify the Member of said violation and demand immediate remedy. Such notification shall be registered or certified mail, addressed to said Member or agent of said Member at their last know address, except at otherwise stated in Sec. 2.

C. In the event a violation is not timely abated or in the absence of reasonable explanation for such delay, the Board of Directors may employ professional legal services to enforce the provisions of this Article pursuant to Article XIV, Section 2.

D. In addition to, or in the alternative to professional legal action, the Board may impose sanctions, including loss of any one or more membership privilege (i.e. loss of pier space or boat launch key), for an appropriate time period. Sanctions shall be appropriate for all violations of the by-laws, including but not limited to failure to pay towing charges. Such sanctions shall be imposed after an opportunity for a hearing before the Board at regular meetings. The member bears the burden of requesting the hearing within fifteen (15) days of having been sent notice of the violations. If sanctions are imposed at a meeting with the member not present, the Board shall send the member written notice of its determination.

Sec. 4. LEGAL RESPONSIBILITIES: The Association will not be liable for any personal injuries, property damage, or death sustained by residents, heirs, assigns, or guests while on any part of said subdivision or lake. The Association or, its Board of Directors or any individual members of the Association will not be responsible for any accident on the roads, beaches, parks, piers, swimming areas, easements, creeks, etc., in Wooded Shores Subdivision.

Sec. 5. COURTESY: In the interest of establishing peace and tranquility in the entire community served by this Association, it shall be the duty of all Members to preserve and protect property of fellow Members and neighbors whenever possible.

Sec. 6. CONSTRUCTION: Anyone building a home or doing major construction work in Wooded Shores and using Association controlled roads or easements shall deposit with the Association Treasurer the sum of five hundred dollars (\$500.00) per house or lot as Bond to assure that the road and easements will be returned to the original state or repair. Road and Beach Commissioner's approval will be required.

ARTICLE XIII

FINANCIAL ALLOWANCES AND COMPENSATIONS

Sec. 1. Pecuniary compensation to members of the Board and its officials are not allowed as such, unless otherwise stated in the By-Laws.

Sec. 2. The Secretary-Treasurer shall receive remuneration for services at the rate determined by the Association at the annual meeting.

Sec. 3. In emergencies, or when the secretary is incapacitated, or unable to get out secretarial material in proper time, the chairman will be allowed to expend Association funds of not more than twenty-five (\$25.00) per year, between annual meetings, for special secretarial or stenographic work. Accounting of such expenditures must be given to the Board.

Sec. 4. Each and any member of the Board, without previous consent of the Board of the Association, may, if for the benefit of the community, expend of Association funds, not more than twenty-five dollars (\$25.00) per year, between annual meetings. An account of this expenditure must be given to the Board.

Sec. 5. Should the Association come into possession of, or construct a household water supply system, the Water Commissioner, in emergency, will be allowed to procure parts, and hire help to put the system in proper order. He will give an amount for expenditures to the Board at its next regular meeting or at a special meeting. If we possess a Water System, the Association or the Board is empowered to vote a monthly salary to the Water Commissioner as Manager of said Water System; this salary to be taken out of the Water Fund. As Manager of the Water System, the Water Commissioner must keep an account in special books, of all income and expenditures, properly itemized, of the Water Fund and to be bonded if so voted by the Association. If deemed necessary, the Board or the Association may employ a special secretary to assist the Water Commissioner in keeping books for the Water Fund, allowing his or her a nominal remuneration, to be charged to the Water Fund.

ARTICLE XIV

Sec. 1. LIENS-JUDGMENTS: Failure of any member to pay any dues or assessments, may result in the filing of a lien against the property of the delinquent member. In addition, unpaid dues and/or assessments can be collected by the filing of a lawsuit for purposes of collecting the unpaid amounts. Dues, assessments and other levies are deemed delinquent if unpaid by the end of sixty (60) days after which such levies were voted due. Thirty (30) days written notice shall be mailed to delinquent members prior to the filing of any lawsuit to collect the unpaid amounts, or as otherwise allowed by law. Such written notice is not required with respect to the filing of a lien against the property of delinquent members for unpaid amounts. All reasonable costs and expenses incurred by the Association with respect to the preparation, filing and enforcement of liens and with respect to the taking of legal action to collect the unpaid amounts shall be assessed against delinquent members. Reasonable costs and expenses are defined as including but not limited to filing fees, court costs, reasonable attorney fees, photocopying,

and preparation of lien costs. Interest shall be due on all unpaid dues, assessments and other levies at the rate of twelve (12%) percent per annum.

Sec. 2. LEGAL SERVICES: If at any time the Board of Directors determines that it is necessary to employ professional legal services to enforce any of the provisions of these By-Laws, the member against whom any such action is necessary, shall be held liable for payment of all attorney's fees, as well as any and all damages, association late charges, liens and court costs.

Sec. 3. NON-WAIVER: No delay or omission to exercise any right or power by the Association or its representative shall impair any such right or power or be construed as a waiver of any default or as acquiescence therein.

ARTICLE XV

Sec. 1. Amendments or Revision of the By-Laws may be offered in a resolution setting forth such amendments or giving a brief resume of the changes proposed. These amendments or revisions may be adopted at any meeting, or by referendum, of the Association if concurred in by not less than two-thirds (2/3) of the votes cast at such meeting or by such referendum. No proposed amendment or revision shall be in order at any meeting or referendum unless a statement of the purpose of such meeting or referendum, in the notice thereof shall contain a brief statement of the substance of such an amendment or revision. At least ten (10) day notice in writing must be given in regard to matters stated in this section.

Sec. 2. All previous resolutions, amendments, etc., which are in conflict with these By-Laws and Rules are declared null and void immediately after the adoption of the By-Laws and the following special rules.

Sec. 3. The By-Laws and Special Rules are to be the basic law of "WOODED SHORES PROPERTY IMPROVEMENT ASSOCIATION, INC." immediately after their adoption. The unenforceability or invalidity of any provision or provision hereof shall not render any other provision(s) herein contained unenforceable or invalid.

Sec. 4. CAPTIONS AND PRONOUNS: The captions and headings of the various sections or Articles are for convenience only and are not to be construed as confining or limited in any way the scope or intent of the provisions thereof. ~~Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.~~

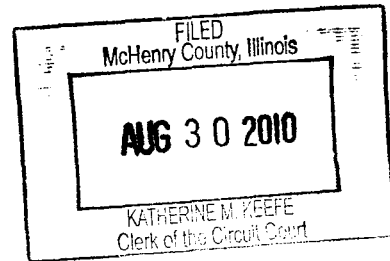
| Revision | Date | Modifications |
|----------|------------|--|
| 01 | 03-02-2008 | Name change from Wooded Shores Property Owner' Association to Wooded Shores Property Improvement Association in: 1. Title of By-Laws 2. Article I - Sec. 1 3. Article V - Sec. 1 4. Article XV - Section 3 Change to Article IV - Sec. 2 -majority to plurality Change to Article IV - Sec. 5 - No regular member to Any regular member... Change to Article V - Wooded Shores Property Owners' Association, Inc. to The Association Change to Article X - Complete revision |
| | | |
| | | |

**IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT
McHENRY COUNTY – WOODSTOCK, ILLINOIS**

THOMAS P. MATHEWS,)
)
 Plaintiff/Counter-Defendant,)
)
 v.)
)
 MASTER PROPERTY OWNERS)
 ASSOCIATION,)
)
 Defendant/Counter-Plaintiff.)

No. 10 CH 1004

THE MASTER PROPERTY OWNERS’)
 ASSOCIATION, INC. FOR THE WONDER)
 LAKE, ILLINOIS AREA,)
)
 Third-Party Plaintiff,)



v.)
)
 WOODED SHORES PROPERTY OWNERS)
 ASSOCIATION, INC. and the WOODED)
 SHORES PROPERTY IMPROVEMENT)
 ASSOCIATION,)
)
 Third-Party Defendants.)

JUDGMENT AND ORDER

This matter having been heard in a bench trial before the Honorable Judge Michael T. Caldwell, the parties having appeared in Court and by their respective attorneys, and the Court having heard the testimony of witnesses called to testify, reviewed exhibits admitted into evidence and heard arguments of counsel, the Court hereby finds as follows:

1. In or around 1935, when Grover and Anna Wickline began carving out the deeds to lots within the Wooded Shores Subdivision, the Wicklines put in the deeds a covenant requiring the grantees to become members of a lot owners association to be hereafter formed of lot owners in said subdivision.
2. In April of 1945, early lot owners of the subdivision incorporated the Wickline Bay Farms Property Owners Association, Inc., which became in time the Wooded Shores Property Owners Association, Inc. and is now called the Wooded Shores Property Improvement Association, Inc. (the "Original Corporation").

3. The Original Corporation has operated and acted continuously since April of 1945 as the lot owners association for the Wooded Shores Subdivision pursuant to the grant in the deed, including through the years in which its corporate charter was dissolved. The Original Corporation has continued to send dues statements, maintain the common areas of the Wooded Shores Subdivision, nominate delegates and directors to the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area ("MPOA"), and otherwise do business as the lot owners association for the Wooded Shores Subdivision, and has never intended not to do business as such.
4. The fact that the Original Corporation never owned the roads, beach or other public areas in the Wooded Shores Subdivision is immaterial, as the corporate charter of the Original Corporation provides for supervision of the roads, beaches and community grounds.
5. The Original Corporation is the corporation that was contemplated in the deeds from the Wicklines. Once these deeds were issued and once the Original Corporation was formed, the covenant was performed.
6. Section 112.45(d) of the *Illinois General Not-for-Profit Corporation Act of 1986* provides as follows:

Upon the filing of the application for reinstatement, the corporate existence shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the corporation shall stand revived with such powers, duties and obligations as if it had not been dissolved; and all acts and proceedings of its officers, directors and members, acting or purporting to act as such, which would have been legal and valid but for such dissolution, shall stand ratified and confirmed.

805 ILCS 105/112.45(d).

7. The Original Corporation, in whatever guise it may exist now, is the duly authorized, empowered, qualified and acting property owners association for the Wooded Shores Subdivision, and it is the only corporation that is authorized to act as the association for the Wooded Shores Subdivision.
8. The Original Corporation is not, as alleged, a voluntary association, but rather is the duly authorized property owners association contemplated in the declarations in the Wickline deeds and covenants.
9. Mr. Mathews is not the successor developer for the Wooded Shores Subdivision, as the property was previously developed.
10. The act by Mr. Mathews of incorporating another not-for-profit corporation with the Wooded Shores name while the Original Corporation was dissolved was a formulaic act

without substance or impact. It was an inappropriate attempt to co-opt the corporate name of the Original Corporation.

11. In previous lawsuits between Mr. Mathews and the Original Corporation (including but not limited to the reported case of *Wooded Shores Property Owners Association, Inc. v. Mathews*, 37 Ill. App. 3d 334 (2d Dist. 1976), *remanded and judgment affirmed* at 89 Ill. App. 3d 187 (2d Dist. 1980)), Mr. Mathews failed to challenge the existence of the Original Corporation or the Original Corporation's authority to act as the lot owners association for the Wooded Shores Subdivision, and Mr. Mathews is now barred from raising this challenge by laches and estoppel by verdict.
12. The Original Corporation is the original lot owners association for the Wooded Shores Subdivision that was mentioned for membership under the MPOA's bylaws. Its membership in the MPOA was unaffected by the failure of the MPOA to approve an amendment to its bylaws to reflect the Original Corporation's current name, and the MPOA's attempt to change the bylaws in that regard was a ministerial act. The Original Corporation is entitled to membership in the MPOA regardless of any name that association now or hereafter acquires.
13. At the MPOA meeting of March 10, 2010, motions to adopt the challenged resolutions approving the bond purchase agreement and the agreement with the Village of Wonder Lake regarding the dredging project passed by votes of 35 aye, 1 abstention and 32 no, as reflected in the minutes of the meeting.
14. For over ten years, proxies have been routinely used by the MPOA in the conduct of their meetings. The MPOA's votes on March 10th were conducted in accordance with this custom and usage and were lawful. Further, the procedure of allowing proxies is a point of order under Roberts Rules of Order, to which an objection must be made at the meeting or such objection is waived. Here, no objection was made at the meeting to the use of proxies, which amounts to and is, in fact, a waiver.
15. The MPOA's votes on March 10th were not invalidated by any alleged lack of sufficient time to review the resolutions by the MPOA's directors. No motion to table the resolutions was made, and a vote was taken on the substance of the resolutions, which amounts to a waiver of this objection.
16. At the MPOA emergency meeting of March 22, 2010, all of the directors attended. The calling of an emergency meeting was valid. There were two votes with the requisite number of votes for the passage of both resolutions related to the dredging of Wonder Lake.
17. Notice of the March 22nd meeting was not invalid. The personal notice requirement for an emergency meeting under the MPOA's bylaws does not refer necessarily to the person of the President of the MPOA. In other words, the President does not have to physically call each and every one of the directors in order to call an emergency meeting, but he can duly authorize an authorized person of the MPOA to act in his stead. In addition, the

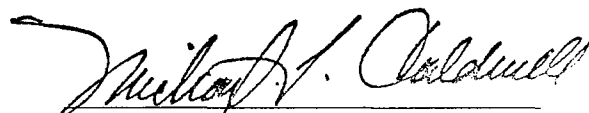
only time notice can be attacked is when an individual who gets insufficient notice attends the meeting for the sole purpose of challenging the sufficiency or the adequacy of the notice of the meeting. There is no suggestion in the minutes of the March 22nd meeting that any such challenge to the sufficiency of the notice was raised. Accordingly, any insufficiency of the notice was waived.

18. Regarding the presence of certain directors by teleconference on March 22nd, this is a procedural issue that must be raised during the meeting, and the failure to raise it at the time of the meeting is fatal to the charge that the meeting was illegally called or that there was any irregularity in the vote that was taken.
19. All other findings included in this Court's oral ruling in this matter on August 20, 2010, are incorporated herein by reference.

Based on the foregoing findings, the Court hereby orders as follows:

1. That judgment be entered in favor of the Defendant on the Plaintiff's complaint and that Plaintiff's requests for preliminary and permanent injunction are denied.
2. That judgment be entered in favor of the Counter-Plaintiff and against the Counter-Defendant on the MPOA's counterclaims.
3. That a declaratory judgment be hereby entered and issued that: (a) the Original Corporation, now known as the Wooded Shores Property Improvement Association, Inc., is the duly qualified and legitimate and now acting lot owners association contemplated under the covenants and restrictions in the original deeds for the Wooded Shores Subdivision; (b) the Original Corporation is entitled to be and is an authorized member of the Master Property Owners' Association, Inc. for Wonder Lake, Illinois Area; and (c) the votes taken at both MPOA directors' meetings on March 10, 2010, and March 22, 2010, were valid.
4. That in the event the MPOA fails to amend its By-Laws at the next annual Delegates' Convention and Mr. Mathews does not voluntarily relinquish his rights to the corporate name "Wooded Shores Property Owners Association, Inc.", Thomas P. Mathews is hereby enjoined from using the corporate name "Wooded Shores Property Owners Association, Inc." in his dealings with the MPOA.

ENTERED:



Judge Michael T. Caldwell

Prepared by:

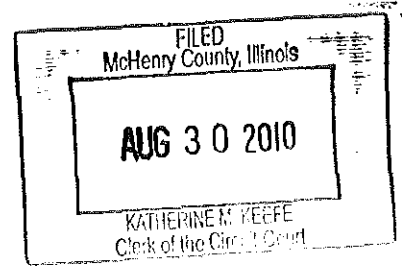
Dean W. Krone – ARDC# 6190868
Steven M. Richart – ARDC# 6287195
Hodges, Loizzi, Eisenhammer,
Rodick & Kohn LLP
Attorneys for the Master Property Owners'
Association, Inc. for the Wonder Lake,
Illinois Area
3030 Salt Creek Lane, Suite 202
Arlington Heights, IL 60005
(847) 670-9000
Firm I.D. #: 26941

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STATE OF ILLINOIS)
)
COUNTY OF McHENRY)

SS

COPY



IN THE CIRCUIT COURT OF THE 22ND JUDICIAL CIRCUIT
McHENRY COUNTY, ILLINOIS

THOMAS P. MATHEWS, successor developer,)
and WOODED SHORES PROPERTY OWNERS)
ASSOCIATION, INC.,)
Plaintiffs,)

vs.)

No. 09 CH 848

WOODED SHORES PROPERTY)
IMPROVEMENT ASSOCIATION, INC. and)
QUENTIN LINDSEY, President of the Wooded)
Shores Property Improvement Association,)
Defendants.)

JUDGMENT

This matter having come on to be heard for bench trial before the Honorable Judge Michael J. Caldwell, the parties appearing in Court and by their respective attorneys, and the Court, after hearing testimony of witnesses called to testify, reviewing exhibits admitted into evidence, and hearing arguments of counsel, finds as follows:

1. The Defendant, WOODED SHORES PROPERTY IMPROVEMENT ASSOCIATION, INC., operated and acted as the property owners association for the Wooded Shores Subdivision continuously from 1945 and even through the years when the corporate charter was dissolved.
2. The Defendant, WOODED SHORES PROPERTY IMPROVEMENT ASSOCIATION, INC., continued to send dues notices to its members, maintained the common areas of the Wooded Shores Subdivision membership, continued the sending of the nomination of delegates to the Master Property Owners Association and the nomination of the directors to the Master Property Owners Association all indicating that the Defendant continued to do business and never intended not to do the business of being a property owners association for the Wooded Shores Subdivision.
3. Section 112.45 of the Illinois Not-For Profit Corporation Act, 805 ILCS 105/112.45, Subparagraph D reads as follows:

“Upon the filing of the application for reinstatement, the corporate existence shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the corporation shall stand revived with such powers, duties and obligations as if it had not been dissolved. And all acts and proceedings of its officers, directors and members, acting or purporting to act as such, which would have been legal and valid but for such dissolution, shall stand ratified and confirmed,”

and is applicable in these proceedings.

4. Wickline Bay Farms Property Owners Association, is the corporation that was contemplated in the warranty deeds that were given by Grover Wickline. Once these deeds passed and once this corporation was formed, this covenant was performed. That corporation, in whatever guise it may exist now, is the duly authorized, empowered, qualified and acting property owners association for the Wooded Shores Subdivision. It is the only corporation that is authorized to be acting for the Wooded Shores Subdivision.
5. The act of the Plaintiff, THOMAS P. MATHEWS, incorporating another not-for-profit corporation with the “Wooded Shores” name is a formulaic act without substance or impact.
6. The current corporation, the Wooded Shores Property Improvement Association, is the only property owners association that is authorized by the Wickline deeds and the only property owners association to which the deeds refer, and therefore the claims of the Plaintiff, THOMAS P. MATHEWS, are not sustained by the evidence.
7. The Wooded Shores Property Owners Improvement Association is not a voluntary association, but rather is the duly authorized property owners association contemplated in the declarations in the Wickline deeds and covenants.
8. The Plaintiff, THOMAS P. MATHEWS, is estopped from contesting the authority of the Defendant, WOODED SHORES PROPERTY IMPROVEMENT ASSOCIATION, INC., to act as the lot owners’ association of the Wooded Shores Subdivision, as a result of his failure to raise these issues in previous lawsuits between the parties, and as a result of laches.
9. All other findings included in this Court’s oral ruling in this matter on August 20, 2010, are incorporated herein by reference.

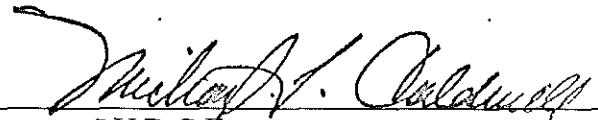
The Court, being therefore duly advised in the premises enters the following order, to-wit:

1. With respect to Count I of the Compliant filed herein, Judgment is entered in favor of the Defendant, WOODED SHORES PROPERTY IMPROVEMENT ASSOCIATION, INC., and

against the Plaintiffs, THOMAS P. MATHEWS, successor developer, and WOODED SHORES PROPERTY OWNERS ASSOCIATION, INC.

2. With respect to Court II of the Complaint filed herein, Judgment is entered in favor of the Defendant, WOODED SHORES PROPERTY IMPROVEMENT ASSOCIATION, INC., and against the Plaintiffs, THOMAS P. MATHEWS, successor developer, and WOODED SHORES PROPERTY OWNERS ASSOCIATION, INC.
3. There is no just cause for the delay in the enforcement of this Judgment.

ENTER:



JUDGE

Prepared by:
Steven J. Cuda
Hamer, Schuh & Cuda
Attorneys for Wooded Shores Property
Improvement Association, Inc. and Quentin
L. Lindsey, President of Wooded Shores
Property Improvement Association
101 Van Buren Street
Woodstock, IL 60098
815-338-1334
ARDC #3121643

Lawsuits brought by WL businessman found in favor of defendants

By **CAROLYN HANDROCK**
The Independent

A pair of lawsuits filed by Wonder Lake businessman and property owner T.P. Mathews was heard by Judge Michael Caldwell of the 22nd Judicial Circuit of McHenry County Aug. 17. Judge Caldwell found against Mathews in both cases, spelling relief for the Wooded Shores Property Improvement Association and the Master Property Owners Association. The judgments were filed Aug. 30.

Mathews challenged validity of Wooded Shores association, votes

Mathews initially filed a lawsuit in 2009 which asserted that the current voting association for the Wooded Shores subdivision was not the legal association representing the subdivision's homeowners. Currently, there are two associations – the Wooded Shores Property Improvement Association and the Wooded Shores Property Owners Association. The original association, formed in 1945, was known as the WSPA in the 1950s.

Because the Secretary of State did not accept post office boxes as legitimate addresses, the association secretary at the time used her home address to register.

When she moved, this information was not communicated to the new secretary. When the registration forms, which had to be renewed yearly, came to that address, the new secretary never received them and the association was dissolved for not staying current on its registration payments.

Later, Mathews discovered the association had been dissolved and registered himself as the new agent. He believed his group should have been recognized as the legal association for Wooded Shores.

Members of the old association filed for reinstatement, which was granted, but the old name was unavailable. So they called themselves the Wooded Shores Property Improvement Association and continued to conduct association business.

In a second lawsuit, Mathews asserted that if the Wooded Shores Property Improvement Association was an invalid organization, its two votes in favor of the Wonder Lake Special Service Area should also be invalidated. At the MPOA meeting held in March, the SSA passed by a margin of 34-32 with 1 abstention. If Mathews had won his suit, the vote would have been tied, and the resulting agreements to enable bonds to be issued to fund the permit application process for the lake dredging

would be null and void.

On June 1, the MPOA asked for and was granted an expedited hearing. It also requested that this lawsuit and the previous one against the WSPIA be combined since they were so closely tied together. Both requests were granted, leading to the August 17 hearing date.

Judge rules in favor of defendants in both cases

After four days of testimony, Judge Caldwell ruled that Mathews and the Wooded Shores Property Owners Association do not represent the property owners in the Wooded Shores subdivision. He further stated that when Mathews incorporated the WSPA, it was "a formulaic act without substance or impact. It was an inappropriate attempt to co-opt the corporate name of the original corporation."

The judge also found that the WSPIA is, by covenants and deeds, responsible for governing the subdivision's common areas and is the sole representative of all lot owners in the subdivision. As the sole representative organization, the WSPIA is a charter member of the MPOA and votes cast by the Wooded Shores delegates are valid.

The judge suggested that Mathews dissolve the WSPA and further enjoined him from using the corporate name Wooded Shores Property Owners Association in any dealings with the MPOA.

Mathews did not respond to calls from *The Independent* requesting comment.

Dick Hilton, President of the MPOA and a WSPIA delegate, was cautiously optimistic after the ruling.

"But I'm never confident that it's all done until the bonds are issued," he said.

Fight continues with the filing of an appeal

Hilton's comment, made Sept. 20, turned out to be prophetic, as Mathews filed an appeal Sept. 16, which was received by the MPOA through the mail Sept. 21. The MPOA and its attorney Dean Krone of Hodges, Loizzi, Eisenhammer, Rodick & Kohn in Arlington Heights have filed a motion in response for sanctions against Mathews and his attorney to recover funds they have spent on defending these lawsuits.

No date has been set for the appeal hearing. Krone was not sure what if any affect this appeal will have on the issuance of bonds for the lake restoration SSA.

IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT
McHENRY COUNTY – WOODSTOCK, ILLINOIS

FILED

SEP 23 2010

KATHERINE M. KEENE
McHENRY CTY. CIR. CLK.

THOMAS P. MATHEWS,

Plaintiff,

v.

MASTER PROPERTY OWNERS
ASSOCIATION,

Defendants.

No. 10 CH 1004

NOTICE OF MOTION

TO: Thomas P Mathews
3145 E Lake Shore Drive
Wonder Lake, IL 60097-9371

James P. Kelly
Matuszewich, Kelly & McKeever, LLP
453 Coventry Lane, Suite 104
Crystal Lake, Illinois 60014
Facsimile: 815-459-3123

PLEASE TAKE NOTICE that on the 27th day of September, 2010, at 9:00 a.m., or as soon thereafter as counsel may be heard, I will appear before the Honorable Michael T. Caldwell, or any judge sitting in his place, in Courtroom 204 of the McHenry County Government Center, 2200 N. Seminary Avenue, Woodstock, Illinois 60098, and then and there present the enclosed Motion for Fees Pursuant to MPOA's By-Laws, a copy of which is hereby served upon you.

Respectfully submitted,

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

By: 
One of its Attorneys

Dean W. Krone – ARDC# 6190868
Steven M. Richart – ARDC# 6287195
Hodges, Loizzi, Eisenhammer,
Rodick & Kohn LLP
3030 Salt Creek Lane, Suite 202
Arlington Heights, IL 60005
(847) 670-9000
Firm I.D. #: 26941

IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT
McHENRY COUNTY – WOODSTOCK, ILLINOIS

FILED
SEP 23 2010
KATHERINE M. KEENE
McHENRY CTY. CIR. CLK.

THOMAS P. MATHEWS,)
)
Plaintiff and)
Counterdefendant,)
v.)
)
MASTER PROPERTY OWNERS)
ASSOCIATION,)
)
Defendant and)
Counterplaintiff.)

No. 10 CH 1004

THE MASTER PROPERTY OWNERS')
ASSOCIATION, INC. FOR THE WONDER)
LAKE, ILLINOIS AREA,)
)
Third-Party Plaintiff,)
)
v.)
)
WOODED SHORES PROPERTY OWNERS)
ASSOCIATION, INC. and the WOODED)
SHORES PROPERTY IMPROVEMENT)
ASSOCIATION,)
)
Third-Party Defendants.)

MOTION FOR FEES PURSUANT TO MPOA'S BY-LAWS

NOW COMES the Defendant and Counterplaintiff, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area (hereinafter "MPOA" or Defendant) by and through its attorneys, Dean W. Krone, Steven M. Richart, and Hodges, Loizzi, Eisenhammer, Rodick & Kohn LLP, and moves this Court for an award of attorneys' fees and costs pursuant to Article XIII of the MPOA's By-Laws, subject to further prove-up as to the amount of said award. In support of this motion, the MPOA states as follows:

1. Article XIII of the MPOA's By-Laws provides:

If at any time the officers determine that it is necessary to employ professional legal services to enforce any of the provisions of these By-Laws, the Member against whom any such action is necessary shall be held liable for payment of all attorney's fees, as well as any damages, M.P.O.A. late charges, liens, and court costs.

(See MPOA By-Laws, attached hereto as Exhibit 1.)

2. Plaintiff and Counterdefendant Thomas P. Mathews is a Member of the MPOA. He is listed in Article I, Section 6, of the By-Laws as "Mathews Undeveloped Property" and serves as a Director of the MPOA. (See Exhibit 1.)

3. The officers of the MPOA determined that it was necessary to employ legal services to (1) draft and prepare two separate opinions of counsel pertaining to Mathews' allegations; (2) appear and defend the MPOA in this lawsuit; and (3) file a counterclaim and third party complaints for declaratory and injunctive relief in this lawsuit. All of these services had the purpose and effect of enforcing provisions of the MPOA's By-Laws against MPOA Member and Plaintiff Mathews.

4. All legal services performed on behalf of the MPOA in this lawsuit were performed to defend and enforce the votes that were taken at the Directors' meetings held on March 10 and March 22, 2010, thereby enforcing the provisions of the MPOA By-Laws against the Plaintiff, including the following provisions:

Article I, Section 6 – which lists members of the MPOA.

Article VI – which provides for representation of member subdivisions by delegates and directors selected by valid lot owner associations.

Article VII – which provides for voting at Directors' meetings.

Article XI, Section 6 – which provides for emergency meetings of Directors.

5. Because the legal services performed during this lawsuit and beforehand were employed and performed to enforce provisions of the MPOA's By-Laws against a Member, the Plaintiff is liable for payment of "all attorney's fees" and court costs pursuant to Article XIII of the MPOA's By-Laws.

WHEREFORE, the MPOA asks the Court to enter an order awarding the MPOA's costs and attorneys' fees pursuant to Article XIII of the MPOA's By-Laws, subject to the MPOA's prove-up of the amount of such costs and fees by proper invoices showing all billed amounts for services for the preparation of opinions regarding the Plaintiff's allegations and for the MPOA's defense and prosecution of counterclaims and third party claims in this suit.

Respectfully submitted,
THE MASTER PROPERTY OWNERS'
ASSOCIATION, INC. FOR THE WONDER
LAKE, ILLINOIS AREA

Date: Sept. 22, 2010

By: Dean Krone
One of its Attorneys

Dean W. Krone – ARDC# 6190868
Steven M. Richart – ARDC# 6287195
Hodges, Loizzi, Eisenhammer,
Rodick & Kohn LLP
3030 Salt Creek Lane, Suite 202
Arlington Heights, IL 60005
(847) 670-9000
Firm I.D. #: 26941

CERTIFICATE OF SERVICE

I, Steven M. Richart, an attorney, certify that I have caused a true and correct copy of the foregoing Motion for Fees pursuant to MPOA's By-Laws, and Notice of Motion thereof, to be served via First Class Mail, on the parties listed below, on this 23 day of September, 2010.

Thomas P Mathews
3145 E Lake Shore Drive
Wonder Lake, IL 60097-9371

James P. Kelly
Matuszewich, Kelly & McKeever, LLP
453 Coventry Lane, Suite 104
Crystal Lake, Illinois 60014
Facsimile: 815-459-3123

Steven J. Cuda
Hamer, Schuh & Cuda
101 Van Buren Street
Woodstock, Illinois 60098
Facsimile: 815-338-5960

By: 

Steven M. Richart

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ARTICLE I

Section 1. The name of this corporation shall be MASTER PROPERTY OWNERS ASSOCIATION, INCORPORATED.

Section 2. This Corporation (hereinafter referred to as the M.P.O.A.) is an Illinois not for profit corporation, chartered by the Secretary of State on September 18, 1965, as provided by the General Not For Profit Act of Illinois, approved July 17, 1943, in force January 1, 1944.

Section 3. The principal office of the M.P.O.A. shall be located in the area known as Wonder Lake situated in McHenry and Greenwood Townships, McHenry County, Illinois.

Section 4. This Constitution and the By-Laws together shall be taken and applied as the code of rules adopted for the regulation and management of the affairs of the M.P.O.A.

Section 5. The term Wonder Lake, Illinois Area as used herein shall be considered as consisting of only that property which has lake rights by or through deeds, contracts, or agreements of the Wonder Lake Syndicate and/or the M.P.O.A.

Section 6. The M.P.O.A. consists of the following subdivisions and un subdivided property.

1. Deep Springs Woods Country Club Association
2. Deep Springs Woods Property Owners Association, #1
3. Hickory Falls Property Owners Association, #1 & #2
4. Hickory Falls Property Owners Association, #3
5. Highland Shores Property Owners, Inc.
6. Indian Ridge Improvement Association, Inc.
7. Lookout Point Community Association, Inc.
8. Mathews Undeveloped Property
9. Edwin McGuire/Josel Ceisel
10. Eric McGuire
11. Oakwood Shores
12. St. Francis Heights
13. Shore Hills Country Club
14. Sunrise Ridge Property Owners Association, Inc.
15. Sunrise Ridge Estates
16. White Oaks Bay Property Owners Association, Inc.
17. Widwood Association, Inc.
18. Wonder Center Property Owners Association, Inc.
19. Wonder Woods Property Owners Association, Inc.
20. Wooded Shores Property Owners Association, Inc.
21. Unsubdivided property with lake rights as described in Article II, Section 2, owned by the David Joslyn Trust

(Revised 9-13-00)

ARTICLE II

PURPOSE

Section 1. To conduct and promote the Wonder Lake Recreation Area for the improvement of civic and social welfare and to control and maintain the lake bottom and other community property pertinent thereof, and do any and all acts necessary to further said objects..

Section 2. To limit the use of Wonder Lake to those property owners who have lake rights by or through deeds, contracts or agreements with the Wonder Lake Syndicate or the M.P.O.A.

ARTICLE III
MANAGEMENT

Section. 1. Subject to the approval of the Directors, the M.P.O.A. shall be managed by a Board consisting of five (5) officers..

Section 2. The officers of the M.P.O.A. Board shall be:

President
1st Vice-President
2nd Vice-President
Secretary
Treasurer

and shall constitute the managing body of the M.P.O.A. All officers shall rank in the order herein named and preside accordingly in the absence of the President.

ARTICLE IV
ELECTION OF OFFICERS

Section 1. Officers shall be elected by a majority vote of the Assembly of Delegates at the regular September Delegates' Convention

Section 2. Elected officers may be either directors or delegates, except that no two (2) officers may be elected from the same subdivision or unsubdivided property.

Section 3. All officers shall be elected to hold office for a term of two (2) years or until their successors are elected.

Section 4. Officers will be elected in the following sequence:

A. Even Year Terms:
President
2nd Vice-President
Treasurer

B. Odd Year Terms:
1st Vice-President
Secretary

and will take office on the 1st day of January the year following their election.

Section 5. A nominating committee of three (3) directors will be appointed from the floor by the President, subject to approval by the directors at the regular June Directors' meeting. The nominating committee will interview possible candidates (directors or delegates) for office on the M.P.O.A. Board, and submit their recommendations to the M.P.O.A. secretary one month before the regular September Delegates' Convention.

Section 6. Nominations from the floor and write-in candidates will also be accepted at the regular September Delegates' Convention.

Section 7. The election for any office must be by secret ballot. Three (3) tellers (delegates) will be appointed by the President (subject to approval by the delegates) to take charge of such balloting and to report the results thereof to the presiding officer. After the results of the balloting have been confirmed, announced, and recorded, the tellers will immediately destroy the ballots.

ARTICLE V
DUTIES OF OFFICERS

Section 1. Subject to approval by the Directors the officers shall manage and direct the activities and business of the M.P.O.A. and, by appointment, fill all officer vacancies.

Section 2. The officers shall prepare an Annual Balanced Budget which shall be presented for approval at the regular September Convention. The budget shall list the basic categories of M.P.O.A. income and expenditures and shall be distributed to all delegates along with the mailed notice of the regular September Convention. Following approval of the proposed Annual Balanced Budget by the Delegates, all future budgetary amendments must have Director approval.
(Revised 9/11/96)

Section 3. The officers may obtain legal advice when they feel it is necessary. Their records shall show the written legal advice on which they acted or refrained from acting.

Section 4. The President shall be the Chief Executive Officer of the M.P.O.A. and shall preside at all meetings and call special meetings when necessary or legally requested to do so. The President may appoint committees and/or commissions (subject to approval by the directors) and have general supervision of all matters pertaining to the M.P.O.A.

Section 5. The President shall be ex-officio member of all committees and/or commissions.

Section 6. Nothing herein shall prohibit the President from appointing any member property owner possessing specialized training, knowledge or experience, who is not a delegate or director to any committee or commission.

Section 7. It shall be the duty of the 1st and 2nd Vice-Presidents to assist the President, and, in his/her absence, act in the order named in the performance of the duties of the President.

Section 8. The Secretary shall be responsible for the minutes of all Directors' and Delegates' meetings, conduct correspondence, issue notices, keep the roll of Officers, Directors, Delegates, and Committees/Commissions, and discharge such other duties as pertain to his/her office as assigned by the President.
The Secretary shall also prepare all bills, notices of dues payable and shall be the recipient of such dues, also keeping proper account. All monies collected will be transferred to the Treasurer.

The Secretary will prepare a voucher for all bills approved by the officers and present the vouchers to the Treasurer for payment.

Section 9. The Treasurer shall receive all monies collected by the Secretary and shall deposit the same in a suitable bank or trust company previously approved by the officers. The Treasurer shall not disburse any monies without an approved voucher. All checks must be signed by any two officers. The Treasurer will prepare monthly reports to the officers..

Section 10. A Recording Secretary may be appointed by the President (subject to approval by the directors). His/her duties will be to take minutes of all meetings and such other duties as the Secretary may assign

The Recording Secretary need not be a delegate or director and may be paid a salary as determined by the directors.

Section 11. The accounts of the Secretary and the Treasurer shall be examined by a CPA who shall be appointed by the officers. An annual audit shall be prepared except that the President shall have the authority to request an audit at any time in addition to the annual audit. The annual audit shall be for the fiscal year ending December 31 and must be completed by June 30 of the following year. A copy of the annual audit must be given to each Director

Section 12. Upon a two thirds (2/3) vote of the assembly of delegates, any officer may be removed from his/her office for failure to attend three or more meetings without reasonable justification or for failing to perform other duties of office. Written notice of the proposed removal shall be mailed to or personally served upon the officer at least 20 days prior to the meeting at which action is to be considered.

ARTICLE VI
REPRESENTATION

Section 1. Member subdivisions and unsubdivided property shall be represented accordingly:
Subdivisions shall be represented by one (1) delegate for each one hundred (100) lots or fraction thereof.

Unsubdivided property shall be represented by one (1) delegate for each twenty(20) acres or fraction thereof.

Each Delegate shall be entitled to one (1) vote.

Section 2. Delegates may be either elected or appointed according to the by-laws or agreements of their respective subdivision or unsubdivided property.

Section 3. The delegate(s) from each subdivision or unsubdivided property(s) shall select one of their number, as their director, to represent them at the directors' meetings.

Section 4. Thirty (30) days prior to the regular September Delegates' Convention, each member subdivision or unsubdivided property must provide the Secretary of the M.P.O.A. with the name, address and telephone number of its Delegate(s) and their Director.

ARTICLE VII
VOTE ALLOCATION

Section 1. At Directors' meetings, each director's vote shall be weighted according to the same formula for delegates established in Article VI, Section 1, except that the number of delegates represented by each individual director shall first be taken into account before the formula is applied.

Section 2. At Delegates' Conventions each delegate or delegate's proxy shall have one (1) vote.

Section 3. Voting Options.

Yes - Supports the motion.

No - Does not support the motion.

Pass/Abstain - shall be counted with the prevailing side.

A Director or Delegate has the right to change his/her vote up to the time the vote is finally announced. After that, he/she can make the change only by permission (a majority vote) of the assembly.

ARTICLE VIII
PROXY REPRESENTATION

Section 1. Directors

Directors will not be permitted to vote by proxy.

Section 2. Delegates

When a delegate is unable to attend a particular Convention Meeting, he/she may grant a proxy to another delegate from his/her subdivision or unsubdivided property.

When a subdivision or unsubdivided property is represented by only one (1) delegate, that delegate may grant his/her proxy to another member of his/her subdivision or unsubdivided property, subject to approval by his/her subdivision or owners of the unsubdivided property.

Section 3. When a subdivision or unsubdivided property is represented by only one (1) delegate, that delegate will be considered their director. Consequently, the rule for representation for directors will apply for Directors' Meetings and the rule for delegates' representation will apply for Delegates' Conventions.

Section 4. All proxies must be executed in writing by the delegate or the delegate's duly authorized attorney in-fact and may carry instructions as to their use. Proxies shall be presented to the Secretary and their substance noted in the minutes of the meeting.

Section 5. The Secretary shall provide the appropriate proxy form with instructions to be sent with each notice of a meeting.

ARTICLE IX
MEETINGS

Section 1. Regular Directors' Meetings will be held on the second Wednesday of the month, at seven (7) P.M. The place for each meeting will be determined by the officers. The officers will set the agenda. However, any director may place an item on the agenda for consideration at the next meeting.

A quorum of the officers may call a Special Directors' Meeting at any time.

Section 2. The Convention of Delegates will be held on the second Wednesday of September, before the regular September Directors' Meeting.

A quorum of the officers may call a Special Convention meeting at any time.

Section 3. The Secretary shall mail written notification of regular or special Directors' Meetings and regular or special Convention Meetings to all:

Directors
Delegates
Subdivision Secretaries
Owners of Unsubdivided Property

Written notification shall include:

An Agenda
Previous Minutes
Treasurer's Report

Such notification shall be postmarked no later than ten (10) days prior to the meeting unless the agenda includes any of the following items for consideration, in which case, notification shall be postmarked no later than twenty(20) days prior to the meeting:

Mergers
Consolidation
Dissolution or sale, lease or exchange of assets
Granting of lake rights
By-law amendments

Section 4. Order of Business.

The following order of business is intended as a guide to the Directors, Delegates and Officers in planning the agenda for the meetings. A change in the order the items appear on the agenda can be accomplished by a simple majority vote of the officers.

(Revised 9/13/95)

Directors' Meetings

Delegates' Convention

- | | |
|-----------------------------------|-----------------------------------|
| I. Call To Order | I. Call To Order |
| II. Establish Quorum - Roll Call | II. Establish Quorum - Roll Call |
| III. Approval of Previous Minutes | III. Approval of Previous Minutes |
| IV. Treasurer's Report | IV. Annual Budget |
| V. Communications | V. Election of Officers |
| A. Correspondence | VI. Public Comments |
| B. Public Comments | VII. Unfinished Business |
| VI. Committee/Commission Reports | VIII. New Business |
| VII. Unfinished Business | IX. Adjournment |
| VIII. New Business | |
| IX. Adjournment | |

Section 5. All discussion shall be limited to agenda items. Emergency matters may be considered if submitted in writing prior to the commencement of either Directors' or Delegates' Meetings and approved by a three-fourths (3/4) majority vote of the Assembly.

Section 6. A. The President may call emergency Directors' Meetings or emergency Delegates' Conventions on a minimum of one day notice by personal contact or telephone call to each director and/or delegate.

B. If the President is unavailable or refuses to call an emergency Directors' Meeting for any reason, the Vice-President or any other officer with concurrence of one (1) Director may call an emergency Directors' Meeting.

C. If the President is unavailable or refuses to call an emergency Delegates' Convention for any reason, a written request by twenty-five (25) or more delegates shall be sufficient to direct the officers to call an emergency Delegates' Convention.

Section 7. Quorum.

Three (3) officers shall constitute a quorum for all officers' meetings

Fifty (50) percent of all delegates of record and three (3) officers shall constitute a quorum for all Directors' or Delegates' Meetings.

ARTICLE X
DUES

Section 1. The amount of the regular yearly membership dues of the association shall be \$17.00 per lot owners' association lot and \$23.80 for each acre of unsubdivided property.
Revised 9/10/03)

The annual dues will be apportioned in such a manner as to cover the budgeted expenses of the dam and lake fund; general operating fund, mosquito abatement fund, lake renewal fund, contingencies and any additional budgeted expenses approved through the annual budget process outlined in Article V, Section 2.

Section 2. Bills shall be mailed to the subdivisions and to the owners of the unsubdivided properties beginning not later than March 1, 1995 and annually thereafter. Accounts shall not be considered delinquent until three months after billing. In computing the number of lots for the purpose of assessing dues, lots, beaches, and parks owned by the Lot Owners Associations, religious organizations and tax supported public bodies shall be exempt. The M.P.O.A. may increase or decrease dues as provided in Article XII, Section 1., but no increase or decrease shall be valid unless applied to both lots and unsubdivided acreage proportionally.

Section 3. All dues shall be paid to the Secretary of the M.P.O.A.

Section 4. A subdivision or unsubdivided property delinquent in the payment of dues as provided in Section 2 of this article shall not be entitled to vote and shall be so informed of the suspension in writing. The subdivision or unsubdivided property in arrears may, however, regain its original standing by the full and complete payment of all delinquent dues.

Section 5. All monies remaining delinquent shall be charged as a claim of lien against the subdivision or unsubdivided property which is in arrears, and it shall be the duty of the Treasurer and Secretary to institute such legal proceedings as will effectively protect said claim or lien of the M.P.O.A. against the subdivision or unsubdivided property and insure the collection of the delinquent dues. Any and all costs incurred in preparing and filing such claims or liens shall be added to the sum total of the dues and paid by the assessed before reinstatement.

Section 6. As a condition of membership in the M.P.O.A, any new subdivision and each present member subdivision within one year from the passage of these amended by-laws shall submit evidence to the M.P.O.A.:

1. That the subdivision is authorized pursuant to its by-laws to take legal action against any of the individual property owners, including the filing of a lien and/or small claims suit on the property, to enforce the collection of delinquent dues owed to the M.P.O.A.;
2. That the subdivision will enforce its rights to collect such delinquent dues for the benefit of the M.P.O.A.; or
3. That, in the alternative, the subdivision will pay the M.P.O.A. any and all delinquent dues of its members.

ARTICLE XI
GENERAL
ARTICLE XI
(Revised 2/8/06)
**LAKE RIGHTS, REGULATIONS FOR LAKE USE, AND
ISSUANCE OF FUTURE REGULATIONS**

Section 1. LAKE RIGHTS.

- A. Lake rights may be granted by the M.P.O.A. provided that the individual or entity requesting such a grant shall, at a minimum, document to the satisfaction of the M.P.O.A. that the property for which lake rights is requested shows a clear and certain means of access to the lake.
- B. Before lake rights can be granted or any real property belonging to the M.P.O.A. conveyed or otherwise disposed of or dedicated to the public, a Convention of Delegates must approve the proposed action by a 2/3 majority vote of the assembly.

Section 2. REGULATIONS FOR LAKE USE.

- A. Hunting and Shooting. No person shall be permitted to hunt or shoot on the waters of Wonder Lake, or on the property owned by the M.P.O.A., unless he or she has obtained a permit from the M.P.O.A. Conservation Commission, or is accompanied by a person who has a permit. The permit may be issued only to a person who has lake rights. The applicant must agree in writing to:
 - 1) Comply with all State and Federal regulations as well as all flowage agreements.
 - 2) Indemnify, hold harmless, and defend the M.P.O.A. and the owners of land overflowed by waters of Wonder Lake, as evidenced by a copy of the certificate of insurance showing such coverage.
 - 3) The holder of the permit shall be responsible for the acts of his/her guests or his/her family who may accompany him/her.
 - 4) In the event a person fails to comply with any of the above regulations, the permit shall be revoked.
- B. Duck Blinds. No person shall be permitted to build a duck blind on the waters of Wonder Lake, unless he or she has obtained a permit from the M.P.O.A. Conservation Commission. The permit may be issued only to a person who has lake rights. The applicant must agree in writing to:
 - 1) Comply with all State, Federal and applicable local regulations as well as all flowage agreements.
 - 2) Remove or cause to be removed all floating duck blinds within two weeks after the close of the duck hunting season.

- 3) Indemnify, hold harmless, and defend the M.P.O.A. and the owners of land overflowed by the waters of Wonder Lake as evidenced by a copy of the certificate of insurance showing such coverage.
- 4) The holder of the permit shall be responsible for the acts of his/her guests or his/her family who may use the blind.
- 5) In the event a person fails to comply with the above regulations, the permit shall be revoked.

C. Registration Decals. The following regulations apply to the issuance of decals and to those persons receiving decals.

- 1) M.P.O.A. registration decals are issued annually and are required to be affixed to all vehicles placed on and used in the waters of Wonder Lake, irrespective of size or propulsion.
- 2) Registration decals may be obtained at the M.P.O.A. office or by mail. (Revised 9/10/03.)
- 3) The M.P.O.A. decal shall be placed on the right (starboard) side of the vehicle windshield. If there is no windshield, the decal shall be affixed on the right (starboard) side of the hull, but not next to or near the Illinois Registration numbers or State sticker.
- 4) M.P.O.A. recreational Guest decals may be issued by member subdivisions and unsubdivided property owners to members of their respective subdivision or to owners of their respective unsubdivided property, who expect their guests to temporarily place a recreational vehicle on the waters of Wonder Lake for a period not to exceed 72 consecutive hours. (Revised 9/13/95.)

Members who are issued a Guest decal shall be responsible for the acts of their guest.

- 5) All subdivisions and owners of unsubdivided property are required to provide the M.P.O.A. office with an annual report by November 1st of each year, of the recreational Guest decals issued. (Revised 9/10/03.)

D. Use of Aircraft. The use of aircraft in and on Wonder Lake is prohibited except in case of proven emergency as authorized by the M.P.O.A. through its Directors.

The landing, take off and mooring of aircraft on Wonder Lake in violation of the prohibition shall subject the owner/operator to a fine of \$1,000.00 for each separate offense, to be construed as each unpermitted use of the seaplane and each day the seaplane is moored in violation of the prohibition except where the M.P.O.A. through its Directors has authorized the emergency use and mooring of the seaplane. The determination that a violation has occurred shall be made by the Directors.

ARTICLE XII
BY-LAW AMENDMENTS

Section 1. These By-Laws may be amended at any regular or special Delegates' Convention by a two-thirds (2/3) majority vote of the assembly.

Section 2. The Secretary shall mail copies of the proposed By-Law amendments to all delegates, subdivision secretaries and owners of unsubdivided property. Such notification shall be postmarked no later than twenty (20) days prior to the convention at which the amendment(s) will be considered.

(Revised 9/11/96)

ARTICLE XIII
LEGAL SERVICES

If at any time the officers determine that it is necessary to employ professional legal services to enforce any of the provisions of these By-Laws, the Member against whom any such action is necessary shall be held liable for payment of all attorney's fees, as well as any damages, M.P.O.A. late charges, liens, and court costs.

ARTICLE XIV

All other rights and powers of the Corporation and of its Officers and Directors shall be governed by the Illinois Statute known as the "General Not for Profit Corporation Act" (805 ILCS 105/101.01 et seq) effective January 1, 1987 and any revision thereof or amendments thereto.

ARTICLE XV

The Temporary Constitution and By-Laws previously adopted on October 3, 1965 are hereby repealed.

ARTICLE XVI

The prior By-Laws adopted and became effective on January 30, 1966 with amendments added May 6, 1966 and July 15, 1966, and ratified unanimously at first Convention of Delegates on August 28, 1966, and updated as of January 31, 1981, September 14, 1994, September 13, 1995, September 11, 1996, September 13, 2000, April 24, 2002, September 10, 2003, and February 8, 2006.

ARTICLE XVII

Roberts Rules of Order shall apply in all instances where these By-Laws do not specifically apply.

IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT
McHENRY COUNTY – WOODSTOCK, ILLINOIS

THOMAS P. MATHEWS,)

Plaintiff,)

v.)

No. 10 CH 1004)

MASTER PROPERTY OWNERS)
ASSOCIATION,)

Defendants.)

FILED
SEP 23 2010

KATHERINE M. KEEPE
McHENRY CTY. CIR. CLK.

NOTICE OF MOTION

TO: Thomas P Mathews
3145 E Lake Shore Drive
Wonder Lake, IL 60097-9371

James P. Kelly
Matuszewich, Kelly & McKeever, LLP
453 Coventry Lane, Suite 104
Crystal Lake, Illinois 60014
Facsimile: 815-459-3123

PLEASE TAKE NOTICE that on the 27th day of September, 2010, at 9:00 a.m., or as soon thereafter as counsel may be heard, I will appear before the Honorable Michael T. Caldwell, or any judge sitting in his place, in Courtroom 204 of the McHenry County Government Center, 2200 N. Seminary Avenue, Woodstock, Illinois 60098, and then and there present the enclosed Motion for Sanctions, a copy of which is hereby served upon you.

Respectfully submitted,

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

By: 

One of its Attorneys

Dean W. Krone – ARDC# 6190868
Steven M. Richart – ARDC# 6287195
Hodges, Loizzi, Eisenhammer,
Rodick & Kohn LLP
3030 Salt Creek Lane, Suite 202
Arlington Heights, IL 60005
(847) 670-9000
Firm I.D. #: 26941

IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT
McHENRY COUNTY – WOODSTOCK, ILLINOIS

FILED
SEP 23 2010
KATHERINE M. KEEFE
McHENRY CTY. CIR. CLK.

THOMAS P. MATHEWS,)
)
Plaintiff,)
)
v.)
)
MASTER PROPERTY OWNERS)
ASSOCIATION,)
)
Defendant.)

No. 10 CH 1004

THE MASTER PROPERTY OWNERS')
ASSOCIATION, INC. FOR THE WONDER)
LAKE, ILLINOIS AREA,)
)
Third-Party Plaintiff,)
)
v.)
)
WOODED SHORES PROPERTY OWNERS)
ASSOCIATION, INC. and the WOODED)
SHORES PROPERTY IMPROVEMENT)
ASSOCIATION,)
)
Third-Party Defendants.)

MOTION FOR SANCTIONS

NOW COMES the Defendant and Counter-Plaintiff, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area (hereinafter "MPOA" or Defendant) by and through its attorneys, Dean W. Krone, Steven M. Richart, and Hodges, Loizzi, Eisenhammer, Rodick & Kohn LLP, and moves this Court for sanctions against the Plaintiff and/or the Plaintiff's counsel for signing and filing the complaint in this matter in violation of Illinois Supreme Court Rule 137. In support of this motion, the MPOA states as follows:

1. Illinois Supreme Court Rule 137 provides that the signature of an attorney or party on a pleading or motion constitutes a certificate by him that “to the best of his knowledge, information, and belief formed after reasonable inquiry it is well grounded in fact and is warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law, and that it is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.” If a pleading or motion is signed in violation of this rule, the court may impose upon the party or attorney an appropriate sanction, which may include reasonable attorneys’ fees. Ill. Sup. Ct. R. 137.

2. The Plaintiff’s complaint in this matter, attached hereto as Exhibit 1 (the “Complaint”), is not well grounded in fact and is unwarranted by existing law. Indeed, its claims are precluded by 805 ILCS 105/112.45(d) (governing reinstatement of not-for-profit corporations) and *Northwest Suburban Congregation Beth Judea, Inc. v. Rosen*, 103 Ill. App. 3d 1137, 432 N.E.2d 335, 59 Ill. Dec. 751 (2d Dist. 1982). Further, Plaintiff never made any argument for the extension, modification or reversal of existing law in this case, and the Plaintiff and his attorney had every reason to know that the Complaint was frivolous when they chose to file it.

3. Paragraph 10 of the Complaint is not well grounded in fact. Paragraph 10 alleges as follows:

The WSPIA is not listed in Article 1, Section 6 of the MPOA By-Laws as a member association of the MPOA.

This allegation, that the entity now known as the Wooded Shores Property Improvement Association, Inc., and which has been referred to throughout these proceedings as the “Original Corporation” or “Original Association,” is not listed in the MPOA By-Laws, is not well grounded in fact. It is undisputed that the Original Corporation became a charter member of the MPOA in 1965, at a time when its name was the Wooded Shores Property Owners Association,

Inc. It is undisputed that the Original Corporation has continued to serve as a member of the MPOA since 1965. It is undisputed that the Original Corporation was known as the Wooded Shores Property Owners Association, Inc., when the MPOA adopted By-Laws and the Original Corporation was the member listed in those By-Laws by that name. The only reason for the Original Corporation's change of name was because the Plaintiff took that name, in what the Court has described as "corporate identity theft" and "a flagrant and unscrupulous attempt to co-opt the name of the Wooded Shores Property Owners Association." Although the *name* may have changed, the *member* listed in the By-Laws has not. Accordingly, the Original Corporation *is and has been for 45 years* the member listed at Article 1, Section 6 of the MPOA By-Laws. Plaintiff's allegation in Paragraph 10 of the Complaint has no basis in fact and is made for an improper purpose.

4. Paragraph 11 of the Complaint is not well grounded in fact. Paragraph 11 alleges as follows:

Further, the MPOA at its 2008 annual meeting rejected a change to the By-Laws allowing the WSPIA to become member [sic] listed in Article 1 Section 6.

As discussed in the previous paragraph, the suggestion that the Original Corporation was not a member of the MPOA prior to the 2008 annual meeting, and that a vote was needed to "allow" it to "become" a member has no basis in fact and was made for an improper purpose. The allegation that the change to the By-Laws voted upon at that meeting was a vote on whether the Original Corporation should "become" a member of the MPOA is similarly without basis in fact. All of the evidence at trial regarding the annual meeting in 2008 showed that the purpose of the proposed change in the By-Laws was merely to correct an inaccuracy caused by the Original Corporation's change of name. As the Court noted in its oral ruling, "[t]he change of name was a ministerial act." The result of the failure of the motion to amend the By-Laws to change the

name was that the By-Laws were unchanged and remain inaccurate. There was no evidence suggesting that the purpose of the motion was to change the membership or that the effect of the failure of the motion to change the name was to oust the Original Corporation as an MPOA member. Accordingly, Paragraph 11 of the Complaint has no basis in fact.

5. In addition to its lack of a factual basis, Plaintiff's Complaint is entirely unwarranted by existing law. Based solely on the discrepancy in the name of the Original Corporation, which Plaintiff orchestrated, the Complaint asks the Court to declare that the Original Corporation is not a member of the MPOA. (See Exhibit 1 at 3.) Plaintiff's claim is illogical and contrary to the holding of *Northwest Suburban Congregation Beth Judea, Inc. v. Rosen*, 103 Ill. App. 3d 1137, 432 N.E.2d 335, 59 Ill. Dec. 751 (2nd Dist. 1982), in which the Court explained:

It is true, persons seeking to form a corporation may ordinarily choose any name their fancy dictates, subject, however, to the rule that they may not choose the name of a corporation already existing, or one that is to be used to deceive the public, or to be passed off for that of some other person or firm in business. When a corporation violates that rule, it does so at its peril. Neither does the fact that the state issues a charter to a corporation by a certain name give to such corporation a right to use it, if it was deliberately chosen, or is used for the purpose of deceiving the public and thereby appropriating the business of another.

103 Ill. App. 3d at 1140, 432 N.E.2d at 338, 59 Ill. Dec. at 754. Accordingly, there is no legal support for the proposition that the Plaintiff could take the Original Corporation's name and thereby supplant the Original Corporation as a member of the MPOA.

6. In addition to lack of a factual basis and lack of a legal basis, the filing of the Complaint further violates Rule 137 because it was filed for an improper purpose. Plaintiff has attempted to do in this case exactly that which is proscribed by the Illinois Appellate Court in *Congregation Beth Judea*. Plaintiff chose the name of the Original Corporation and attempted to pass his corporation off as a member of the MPOA based on that name. And then the Plaintiff

filed the Complaint in this case in an attempt to enlist the Court's help in that effort. This attempt has been unsuccessful; the Court has denied the Plaintiff the relief he sought. The Court has described the Plaintiff's actions as "corporate identity theft" and "a flagrant and unscrupulous attempt to co-opt the name of the Wooded Shores Property Owners Association." The filing of the Complaint for this purpose violates Rule 137 because it was filed for an improper purpose.

7. Moreover, Plaintiff knew about the *Congregation Beth Judea* case and the lack of legal support for his claim before he filed suit. As Richard Hilton testified at trial, the MPOA requested two legal opinions regarding Plaintiff's allegations before this suit was initiated, and both opinions concluded that there was no legal support for Plaintiff's contentions. (See Memoranda dated October 7, 2008, and September 3, 2009, attached hereto as Exhibits 2 and 3.) Mr. Hilton distributed copies of these opinions to all MPOA directors, including Plaintiff.

8. Finally, the Complaint's request for an injunction, and the facts implicitly alleged therein, like the rest of the Complaint, lack any factual or legal basis whatsoever. The Complaint requests that the Court "enjoin the collection of any taxes or special assessment for the project to dredge Wonder Lake, which are based upon the MPOA's void resolutions" and also asks the Court to enjoin the MPOA from "making payment on any bond issued by the Village of Wonder Lake based upon the void resolutions." (Exhibit 1 at 4.) These requests are nonsensical and frivolous for two reasons. First, the MPOA does not have the power or authority to collect taxes or special assessments through a special service area, the funding mechanism for this dredging project. Only the Village of Wonder Lake has the power to levy such taxes, which are then collected by the County, and neither the Village nor the County were named as defendants. The MPOA plays no role in that process. Second, and more importantly, neither the Bond Purchase Agreement nor the Dredging Project Agreement purports to give the MPOA the authority to

collect taxes or special assessments. (See Exhibits 4 and 5.) In short, the requested injunctive relief is completely unrelated to the Plaintiff's allegations.

9. In summary, the key allegations in the Complaint are not well grounded in fact. The Complaint is not warranted by existing law and no argument has been made for the extension, modification, or reversal of existing law. The Complaint was filed for the improper purpose of eliciting the Court's assistance in co-opting the name and identity of the Original Corporation. As a result of Plaintiff's filing of the Complaint, the MPOA has had to expend substantial sums of money on attorneys' fees to defend itself in this matter. Rule 137 is designed to protect a defendant from having to suffer financial harm while defending itself against such frivolous litigation.

WHEREFORE, the MPOA asks the Court to enter a written order imposing sanctions against the Plaintiff and/or the Plaintiff's attorney pursuant to Illinois Supreme Court Rule 137 and awarding the MPOA the amount of reasonable expenses incurred because of the filing of the Complaint, including reasonable attorneys' fees.

Respectfully submitted,

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

By: Dean Krone
One of its Attorneys

Date: Sept. 22, 2010

Dean W. Krone – ARDC# 6190868
Steven M. Richart – ARDC# 6287195
Hodges, Loizzi, Eisenhammer,
Rodick & Kohn LLP
3030 Salt Creek Lane, Suite 202
Arlington Heights, IL 60005
(847) 670-9000
Firm I.D. #: 26941

CERTIFICATE OF SERVICE

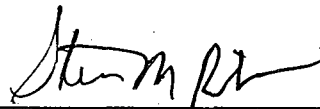
I, Steven M. Richart, an attorney, certify that I have caused a true and correct copy of the foregoing Motion for Sanctions, and Notice of Motion thereof, to be served via First Class Mail, on the parties listed below on this 23rd day of September, 2010.

Thomas P Mathews
3145 E Lake Shore Drive
Wonder Lake, IL 60097-9371

James P. Kelly
Matuszewich, Kelly & McKeever, LLP
453 Coventry Lane, Suite 104
Crystal Lake, Illinois 60014
Facsimile: 815-459-3123

Steven J. Cuda
Hamer, Schuh & Cuda
101 Van Buren Street
Woodstock, Illinois 60098
Facsimile: 815-338-5960

By: _____



Steven M. Richart

Dean W. Krone – ARDC# 6190868
Steven M. Richart – ARDC# 6287195
Hodges, Loizzi, Eisenhammer,
Rodick & Kohn LLP
3030 Salt Creek Lane, Suite 202
Arlington Heights, IL 60005
(847) 670-9000
Firm I.D. #: 26941

IN THE CIRCUIT COURT OF THE TWENTY SECOND JUDICIAL CIRCUIT FILED
McHENRY COUNTY - WOODSTOCK, ILLINOIS

APR 07 2010

KATHERINE M. KEEFE
McHENRY CTY. CIR. CLK.

THOMAS P. MATHEWS,

Plaintiffs,

vs.

MASTER PROPERTY OWNERS
ASSOCIATION.

10CH1004

Case No. NOTICE
BY LOCAL RULE 3.10
THIS CASE IS HEREBY SET FOR SCHEDULING
CONFERENCE IN COURTROOM 204 ON
8-11 20 10, AT 9 AM PM
FAILURE TO APPEAR MAY RESULT IN THE CASE
BEING DISMISSED OR AN ORDER OF
DEFAULT BEING ENTERED.

**COMPLAINT FOR
DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF**

NOW COMES the Plaintiff, THOMAS P. MATHEWS, (hereinafter MATHEWS), by and through his attorneys Matuszewich, Kelly and McKeever, LLP, and seeking Declaratory Judgment and a preliminary and permanent injunction against the WONDER LAKE MASTER PROPERTY OWNERS ASSOCIATION as follows:

1. MATHEWS is a resident of St. Francis Heights Subdivision, Wonder Lake, Illinois.
2. MATHEWS is a Director in the Master Property Owners Association.
3. MATHEWS is the owner of property in the Wooded Shores Subdivision and owns more 53 properties within the territory of the MPOA.
4. MATHEWS is a member of the Wooded Shores Property Owners Association, Inc.
5. The Wonder Lake MPOA is a Not-For-Profit Association responsible for the maintenance of Wonder Lake.
6. On or about March 22, 2010, the MPOA held an emergency meeting to adopt a Resolution Approving Bond Purchase Agreement for the Village of Wonder Lake Series 2010A Bonds (see Exhibit A) and a Resolution Approving an Agreement between the MPOA and the



Village of Wonder Lake to pay for bonds being issued by the Village of Wonder Lake (see Exhibit B).

7. The vote by the MPOA to approve these Resolutions was 36 in favor of the Resolution and 34 opposed to the Resolution, these resolutions passed.

8. The MPOA allowed Quentin Lindsey on behalf of the Wooded Shores Property Improvement Association (hereinafter WSPIA) to cast two votes in favor of the Resolution.

9. The MPOA has 21 persons or associations which are members and have weighted voting rights, these members are listed in Article 1 Section 6 of the MPOA By-Laws. (Exhibit C – MPOA By-Laws)

10. The WSPIA is not listed in Article 1, Section 6 of the MPOA By-Laws as a member association of the MPOA. (Exhibit C – MPOA By-Laws)

11. Further, the MPOA at its 2008 annual meeting rejected a change to the By-Laws allowing the WSPIA to become member listed in Article 1 Section 6.

12. Although the WSPIA is not a member of the MPOA, the WSPIA was allowed to cast the two deciding votes to adopt the Resolutions attached hereto, on March 22, 2010.

13. But for the WSPIA's two votes the Resolution would have failed due to a lack of a majority.

14. Further, there is pending litigation which challenges the validity of the WSPIA to act on behalf of the property owners in the Wooded Shores Subdivision. *Thomas P. Mathews and the Wooded Shores Property Owners Association v. Wooded Shores Property Improvement Association, Case No. 09 CH 848.*

15. The MPOA at its 2008 annual meeting rejected a change to the By-Laws allowing the WSPIA to become member listed in Article 1 Section 6.

16. The vote to approve the adoption of these resolutions by the MPOA was invalid as the two votes cast by Quentin Lindsey were unlawful and invalid.

17. The Resolutions unlawfully approved by the MPOA at the emergency meeting of March 22, 2010 allow the Officers of the MPOA to enter into an agreement with the Village of Wonder Lake to pay an unspecified amount for municipal bonds are void.

18. On information and believe the unspecified amount is an amount in excess of \$800,000.00.

19. The Plaintiff, as the result of the adoption of these void resolutions, will unlawfully be subjected to taxation or special assessments.

20. The Plaintiff has a clear interest in not having the MPOA allow the imposition of a tax or assessment on his property based upon an unlawful and void resolution.

21. An actual controversy exists between the parties with respect to MPOA allowing an unauthorized association, the WSPIA, vote on resolutions to impose taxes or assessments on his property, and the validity of such resolution.

WHEREFORE Plaintiff prays that this honorable Court:

- A. Declare the MPOA's resolutions of March 22, 2010 void.
- B. Declare that the WSPIA is not a member of the MPOA.

Count II

COMPLAINT FOR PRELIMINARY AND PERMANENT INJUNCTION

22. Paragraphs 1 through 21 are incorporated herein.

23. The Plaintiff has a clear and ascertainable right to be protected from the unlawful imposition of this tax or special assessment based upon a void resolution of the MPOA.

24. There is no is no adequate remedy at law which will protect the Plaintiff from the Defendant's actions.

25. The Plaintiff will suffer irreparable harm in that all of the properties which he owns, and located within the territory of the MPOA, will be burdened by the imposition of an unlawful tax or assessment.

26. All of the property owners in the MPOA will also suffer the imposition of this unlawful tax or assessment.

27. The Plaintiff will prevail on the merits of this matter in that the WSPIA is not a authorized member of the MPOA.

WHEREFORE Plaintiff prays that this Honorable Court:

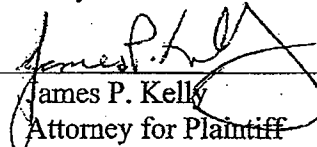
A. Enter a preliminary injunction, enjoining the Defendant and its officers from executing any agreement authorized by the MPOA's resolutions of March 22, 2010, copies of which are attached hereto.

B. Enter a permanent injunction enjoining the MPOA from executing any agreement authorized by the MPOA's resolutions of March 22, 2010 and making payment on any bond issued by the Village of Wonder Lake based upon the void resolutions, copies of which are attached hereto.

C. Enjoin the collection of any taxes or special assessment for the project to dredge Wonder Lake, which are based upon the MPOA's void resolutions.

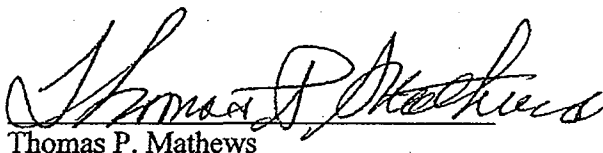
Respectfully Submitted:

By: _____


James P. Kelly
Attorney for Plaintiff

VERIFICATION

Under penalties of perjury as provided by law pursuant to Section 1-109 of the code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matter therein stated to be on information and belief and, as to such matter, the undersigned certifies as aforesaid that he verily believe the same to be true.



Thomas P. Mathews

James P. Kelly
MATUSZEWICH, KELLY & McKEEVER, LLP
453 Coventry Lane, Suite 104
Crystal Lake, Illinois 60014
(815) 459-3120 Telephone
(815) 459-3123 Facsimile



**RESOLUTION APPROVING BOND PURCHASE AGREEMENT
FOR VILLAGE OF WONDER LAKE SERIES 2010A BONDS**

WHEREAS, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area (the "MPOA") desires to undertake a project to dredge Wonder Lake in order to remove sediment, deepen the lake, increase recreational use, and improve the aquatic ecosystem (the "Project"); and

WHEREAS, the Village of Wonder Lake (the "Village") has agreed to partially fund the Project by issuing Special Service Area Number Nine Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A (the "Bonds"); and

WHEREAS, an agreement between and among the Village, the MPOA, and William Blair & Company, LLC, the purchaser of the Bonds (the "Purchaser") has been prepared to govern the relationship between and among those parties, a copy of which is attached to this Resolution as Exhibit 1 (the "Bond Purchase Agreement"); and

WHEREAS, the attorney for the MPOA has reviewed the Bond Purchase Agreement and approved the form of that agreement;

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area as follows:

Section 1: The Bond Purchase Agreement attached to this Resolution as Exhibit 1 is hereby approved. The President of the MPOA Board is hereby authorized to execute the Bond Purchase Agreement on behalf of the MPOA.

Section 2: This Resolution shall be in full force and effect upon its adoption.

ADOPTED this 22nd day of March, 2010, by the following vote:

AYES:

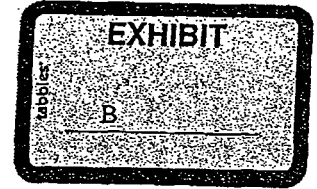
NAYS:

ABSENT:

President

ATTEST:

Recording Secretary
179845_1.DOC



**RESOLUTION APPROVING AGREEMENT BETWEEN
THE VILLAGE OF WONDER LAKE AND
THE MASTER PROPERTY OWNERS' ASSOCIATION, INC.
FOR THE WONDER LAKE, ILLINOIS AREA
FOR THE WONDER LAKE DREDGING PROJECT**

WHEREAS, the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area (the "MPOA") desires to undertake a project to dredge Wonder Lake in order to remove sediment, deepen the lake, increase recreational use, and improve the aquatic ecosystem (the "Project"); and

WHEREAS, the Village of Wonder Lake (the "Village") and McHenry County have both agreed to fund the Project by issuing bonds; and

WHEREAS, an agreement between the Village and the MPOA has been prepared that will govern the relationship between the Village and the MPOA as they work together to complete the Project, a copy of which is attached to this Resolution as Exhibit 1 (the "Agreement"); and

WHEREAS, the attorney for the MPOA has reviewed the Agreement and approved the form of the Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Master Property Owners' Association, Inc. for the Wonder Lake, Illinois Area as follows:

Section 1: The Agreement attached to this Resolution as Exhibit 1 is hereby approved. The President of the MPOA Board is hereby authorized to execute the Agreement on behalf of the MPOA.

Section 2: This Resolution shall be in full force and effect upon its adoption.

ADOPTED this 22nd day of March, 2010, by the following vote:

AYES:

NAYS:

ABSENT:

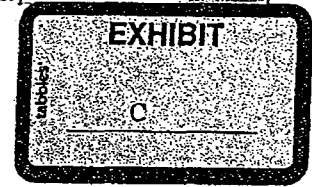
President

ATTEST:

Recording Secretary
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| |
|------------------------|
| Lake Restoration Q & A |
| Lake Manager |
| Recreational Sticker |
| Ordinance |

CONTACT

M.P.O.A.
 7602 Hancock Drive,
 Wonder Lake IL, 60097
 (815) 653-4136

wlkathy@wlmppoa.org
 wldick@wlmppoa.org

M.P.O.A. ByLaws

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ARTICLE I

Section 1. The name of this corporation shall be MASTER PROPERTY OWNERS ASSOCIATION, INCORPORATED.

Section 2. This Corporation (hereinafter referred to as the M.P.O.A.) is an Illinois not for profit corporation, chartered by the Secretary of State on September 18, 1965, as provided by the General Not For Profit Act of Illinois, approved July 17, 1943, in force January 1, 1944.

Section 3. The principal office of the M.P.O.A. shall be located in the area known as Wonder Lake situated in McHenry and Greenwood Townships, McHenry County, Illinois.

Section 4. This Constitution and the By-Laws together shall be taken and applied as the code of rules adopted for the regulation and management of the affairs of the M.P.O.A.

Section 5. The term Wonder Lake, Illinois Area as used herein shall be considered as consisting of only that property which has lake rights by or through deeds, contracts, or agreements of the Wonder Lake Syndicate and/or the M.P.O.A.

Section 6. The M.P.O.A. consists of the following subdivisions and unsubdivided property.

1. Deep Spring Woods Country Club, Inc.
2. Deep Springs Woods Property Owners Association, #1
3. Hickory Falls Property Owners Association, #1 & #2
4. Hickory Falls Property Owners Association, #3
5. Highland Shores Property Owners, Inc.
6. Indian Ridge Improvement Association, Inc.
7. Lookout Point Community Association, Inc.
8. Mathews Undeveloped Property
9. Edwin McGuire/Josef Ceisel
10. Eric McGuire
11. Oakwood Shores
12. St. Francis Heights
13. Shore Hills Country Club
14. Sunrise Ridge Property Owners Association, Inc.
15. Sunrise Ridge Estates
16. White Oaks Bay Property Owners Association, Inc.

Wonder Lake
 FRI APR 02 2010
 10:41 AM CDT-FRI

Friday
 Showers Likely
 H: 79F Lo: 51F

Saturday
 Chance Of Showers
 H: 61F Lo: 41F

Sunday
 Partly Cloudy
 H: 70F Lo: 50F

Monday
 Chance Of Showers
 H: 69F Lo: 51F

Tuesday
 Chance Of Showers
 H: 71F Lo: 49F

#weatherforyou.com

- 17. Widwood Association, Inc.
- 18. Wonder Center Property Owners Association, Inc.
- 19. Wonder Woods Property Owners Association, Inc.
- 20. Wooded Shores Property Owners Association, Inc.
- 21. Unsubdivided property with lake rights as described in Article II,

Section 2, owned by the David Joslyn Trust

(Revised 9-13-00)

ARTICLE II

PURPOSE

Section 1. To conduct and promote the Wonder Lake Recreation Area for the improvement of civic and social welfare and to control and maintain the lake bottom and other community property pertinent thereof, and do any and all acts necessary to further said objects..

Section 2. To limit the use of Wonder Lake to those property owners who have lake rights by or through deeds, contracts or agreements with the Wonder Lake Syndicate or the M.P.O.A.

ARTICLE III

MANAGEMENT

Section. 1. Subject to the approval of the Directors, the M.P.O.A. shall be managed by a Board consisting of five (5) officers.

Section 2. The officers of the M.P.O.A. Board shall be:

President

1st Vice-President

2nd Vice-President

Secretary

Treasurer and shall constitute the managing body of the M.P.O.A. All officers shall rank in the order herein named and preside accordingly in the absence of the President.

ARTICLE IV

ELECTION OF OFFICERS

Section 1. Officers shall be elected by a majority vote of the Assembly of Delegates at the regular September Delegates' Convention

Section 2. Elected officers may be either directors or delegates, except that no two (2) officers may be elected from the same subdivision or unsubdivided property.

Section 3. All officers shall be elected to hold office for a term of two (2) years or until their successors are elected.

Section 4. Officers will be elected in the following sequence:

A. Even Year Terms:

President

2nd Vice-President

Treasurer

B. Odd Year Terms:

1st Vice-President

Secretary

and will take office on the 1st day of January the year following their election.

Section 5. A nominating committee of three (3) directors will be appointed from the floor by the President, subject to approval by the directors at the regular June Directors' meeting. The nominating committee will interview possible candidates (directors or delegates) for office on the M.P.O.A. Board, and submit their recommendations to the M.P.O.A. secretary one month before the regular September Delegates' Convention.

Section 6. Nominations from the floor and write-in candidates will also be accepted at the regular September Delegates' Convention.

Section 7. The election for any office must be by secret ballot. Three (3) tellers (delegates) will be appointed by the President (subject to approval by the delegates) to take charge of such balloting and to report the results thereof to the presiding officer. After the results of the balloting have been confirmed, announced, and recorded, the tellers will immediately destroy the ballots.

ARTICLE V

DUTIES OF OFFICERS

Section 1. Subject to approval by the Directors the officers shall manage and direct the activities and business of the M.P.O.A. and, by appointment, fill all officer vacancies.

Section 2. The officers shall prepare an Annual Balanced Budget which shall be presented for approval at the regular September Convention. The budget shall list the basic categories of M.P.O.A. income and expenditures and shall be distributed to all delegates along with the mailed notice of the regular September Convention.

Following approval of the proposed Annual Balanced Budget by the Delegates, all future budgetary amendments must have Director approval.

(Revised 9/11/96)

Section 3. The officers may obtain legal advice when they feel it is necessary. Their records shall show the written legal advice on which they acted or refrained from acting.

Section 4. The President shall be the Chief Executive Officer of the M.P.O.A. and shall preside at all meetings and call special meetings when necessary or legally requested to do so. The President may appoint committees and/or commissions (subject to approval by the directors) and have general supervision of all matters pertaining to the M.P.O.A.

Section 5. The President shall be ex-officio member of all committees and/or commissions.

Section 6. Nothing herein shall prohibit the President from appointing any member property owner possessing specialized training, knowledge or experience, who is not a delegate or director to any committee or commission.

Section 7. It shall be the duty of the 1st and 2nd Vice-Presidents to assist the President, and, in his/her absence, act in the order named in the performance of the duties of the

President.

Section 8. The Secretary shall be responsible for the minutes of all Directors' and Delegates' meetings, conduct correspondence, issue notices, keep the roll of Officers, Directors, Delegates, and Committees/Commissions, and discharge such other duties as pertain to his/her office as assigned by the President.

The Secretary shall also prepare all bills, notices of dues payable and shall be the recipient of such dues, also keeping proper account. All monies collected will be transferred to the Treasurer.

The Secretary will prepare a voucher for all bills approved by the officers and present the vouchers to the Treasurer for payment.

Section 9. The Treasurer shall receive all monies collected by the Secretary and shall deposit the same in a suitable bank or trust company previously approved by the officers. The Treasurer shall not disburse any monies without an approved voucher. All checks must be signed by any two officers. The Treasurer will prepare monthly reports to the officers.

Section 10. A Recording Secretary may be appointed by the President (subject to approval by the directors). His/her duties will be to take minutes of all meetings and such other duties as the Secretary may assign

The Recording Secretary need not be a delegate or director and may be paid a salary as determined by the directors.

Section 11. The accounts of the Secretary and the Treasurer shall be examined by a CPA who shall be appointed by the officers. An annual audit shall be prepared except that the President shall have the authority to request an audit at any time in addition to the annual audit. The annual audit shall be for the fiscal year ending December 31 and must be completed by June 30 of the following year. A copy of the annual audit must be given to each Director.

Section 12. Upon a two thirds (2/3) vote of the assembly of delegates, any officer may be removed from his/her office for failure to attend three or more meetings without reasonable justification or for failing to perform other duties of office. Written notice of the proposed removal shall be mailed to or personally served upon the officer at least 20 days prior to the meeting at which action is to be considered.

• Page 1 > Page 2 > Page 3

MEMORANDUM

TO: Directors and Board
Wonder Lake Master Property Owners Association

FROM: Dean W. Krone and Steven M. Richart

DATE: October 7, 2008

RE: Status of Richard Hilton as Delegate, Director, and President of the MPOA

I. Introduction

You have asked for our opinion as to whether Richard Hilton is legally serving as a Delegate, Director, and President of the Master Property Owners Association, Inc., in light of certain events that have taken place in connection with the Wooded Shores Subdivision. It is our understanding that this request was prompted by Thomas P. Mathews' assertion that Mr. Hilton does not serve legally in those positions because of changes in the homeowners association affiliated with the Wooded Shores Subdivision.

This memorandum reviews the legal status of Mr. Hilton as a Delegate, Director, and President of the MPOA. Under the MPOA's Bylaws, Delegates are elected or appointed according to the by-laws or agreements of their respective subdivision or unsubdivided property. Art. VI § 2. One Director is then selected by the Delegates from each subdivision or unsubdivided property. Art. VI § 3. Officers (including the President) must be either Delegates or Directors. Art. IV § 2. Thus, we must address whether Mr. Hilton has been elected or appointed as a Delegate and/or Director according to the by-laws or agreements of the Wooded Shores Subdivision.

II. History of Wooded Shores Subdivision

Our understanding of the facts is as follows. The Wooded Shores Subdivision was created in 1935. Its original recorded covenants and restrictions, which are inserted into all deeds in the subdivision, provide:

[G]rantees . . . agree to become members of the Lot Owners' Association to be hereafter formed of lot owners in said subdivision and agree to become a member by representation of the Master's Association hereafter to be formed of all owners in Wooded Shores, and agree to be governed by all the rules, regulations and the by-laws hereafter made by either the said Associations or the grantors herein. The

Hodges Loizzi _____
Eisenhammer Rodick & Kohn

Directors and Board
Wonder Lake Master Property Owners Association
October 7, 2008
Page 2

Lot Owners' Association to be formed to govern and have supervision of the drives and community grounds of said subdivision, the Master's Association to govern the dam, Wonder Lake, and to provide suitable means for the upkeep thereof

The Lot Owners' Association under this covenant was incorporated in 1945 as an Illinois not-for-profit corporation under the name "Wickliffe Bay Farms Property Owner's Association, Inc." (the "Original Corporation"). As with all not-for-profit corporations, the creation of the Original Corporation was accomplished by means of the filing of Articles of Incorporation with the Illinois Secretary of State's office. In 1953, the Original Corporation changed its name to the "Wooded Shores Property Owners Association, Inc.," and Articles of Amendment were filed with the Secretary of State to reflect the changed name.

Since 1945, the Original Corporation has exercised the duties and responsibilities of the Lot Owners' Association under the above-cited covenants and restrictions of the Wooded Shores Subdivision by collecting assessments and maintaining roads and common grounds. By purchasing lots, individual lot owners have agreed to become members of the Original Corporation, pay dues to the Original Corporation, and be governed by its by-laws. The by-laws provide that the Original Corporation is governed by a board of directors chosen by its members (*i.e.*, the lot owners subject to the declaration of covenants and restrictions cited above). The board of directors, in turn, elects the subdivision's Delegate/Director to the MPOA.

In 1993, the Original Corporation's duly elected board of directors voted unanimously in favor of Mr. Hilton as Delegate/Director to the MPOA. At each subsequent annual meeting of the Original Corporation's board of directors since 1993, Mr. Hilton has been re-appointed each year as MPOA Delegate/Director. (It is our understanding that Wooded Shores has 134 owners for purposes of MPOA representation, and therefore is entitled to two delegates, one of whom then also serves as a director of MPOA.)

III. Recent History

A. Administrative Dissolution

Not-for-profit corporations in Illinois are required to file annual reports under 805 ILCS 105/114.05, and the Secretary of State provides a blank form for this purpose to a corporation's registered agent. The Secretary of State may administratively dissolve a corporation pursuant to 805 ILCS 105/112.35(a) if an annual report is not filed. In 2002, due to a change in the Original Corporation's secretary and the failure to change the registered agent with the Secretary of State, the annual report form was not received by the new secretary and was not filed. On September 3, 2002, the Secretary of State administratively dissolved the Original Corporation.

Directors and Board
Wonder Lake Master Property Owners Association
October 7, 2008
Page 3

Unaware of this administrative dissolution, the Original Corporation's board of directors continued to hold meetings and conduct business as the Lot Owners Association for the Wooded Shores Subdivision. The board of directors unanimously re-appointed Mr. Hilton as the Original Corporation's MPOA Delegate/Director at its annual meetings each year, including at a March 2007 annual meeting. The Original Corporation also continued to collect dues from lot owners in Wooded Shores, and the lot owners continued to attend annual membership meetings. Finally, the board of directors continued to conduct the business of the Lot Owners' Association for Wooded Shores Subdivision, including maintenance of roads and common grounds.

B. Creation of New Corporation

On June 5, 2007, T.P. Mathews and four (4) other lot owners incorporated a new not-for-profit corporation under the name of "Wooded Shores Property Owners Association, Inc." (the "New Corporation"). It is our understanding that the five lot owners acted without the consent or input of any other lot owners in Wooded Shores Subdivision. On July 2, 2007, the Articles of Incorporation for the New Corporation were filed with the Secretary of State's office. The New Corporation's stated purpose is substantially similar to the purpose of the Original Corporation—to assess and collect annual dues from property owners of the Wooded Shores Subdivision for the maintenance of the common grounds of the Wooded Shores Subdivision. The same five individuals are listed as both incorporators and directors of the New Corporation: Deanna Conley, Joseph P. Hynes, Claudette Hoojer, Mary Krause, and Thomas P. Mathews. It is our understanding that the New Corporation has not begun assessing and collecting any dues from property owners of Wooded Shores.

Based on its corporate name alone, the New Corporation now claims to be the rightful Lot Owners' Association under the covenants and restrictions of the Wooded Shores Subdivision. It also claims to be the rightful member in the MPOA because the MPOA's Bylaws list "Wooded Shores Property Owners' Association, Inc." as an MPOA subdivision at Art. I § 6.

C. Reinstatement of Original Corporation

Not-for-profit corporations that have been administratively dissolved may be reinstated by the Secretary of State pursuant to 805 ILCS 105/112.45 by submitting an Application for Reinstatement, filing all overdue annual reports and paying required fees and penalties.

On August 1, 2007, the Original Corporation completed an Application for Reinstatement and submitted it to the Secretary of State with the required annual reports for the years 2002-2007 and required fees. On August 8, 2007, the Secretary of State accepted and placed on file the Original Corporation's Application for Reinstatement and annual reports. Also filed and

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accepted by the Secretary of State was a Statement of Change of Registered Agent to ensure receipt of future notices by the proper person on behalf of the Original Corporation. Finally, because the name "Wooded Shores Property Owners Association, Inc." had been taken by the New Corporation and was no longer available, the Original Corporation filed Articles of Amendment to change its corporate name to "Wooded Shores Property Improvement Association, Inc." The Secretary of State accepted all of these filings.

D. Recent Elections at Wooded Shores

The annual membership meeting of the Original Corporation was held on March 2, 2008. At that meeting, a quorum was present and elected the current board of directors of the Original Corporation. Following the membership meeting, the board of directors met and selected officers. Mr. Hilton was again elected unanimously as a Delegate/Director to MPOA.

Regarding annual dues, the Original Corporation sent out Statements to all lot owners in January 2008, and it is our understanding that all such dues have been paid by the lot owners in the Wooded Shores Subdivision, including all of the directors of the New Corporation, with the exception of Mr. Mathews.

E. Selection of Mr. Hilton as President of the MPOA

The MPOA's Bylaws provide that the Officers shall be elected by majority vote at the regular Delegates' Convention in September, and their terms are for two years or until their successors are elected. Art. IV §§ 1, 3. Mr. Hilton was first elected as President of the MPOA by the Delegates Convention in 1993. Under the Bylaws existing at that time, his term was for one year. At the annual Delegates Convention in 1994, Mr. Hilton was re-elected unanimously and the Bylaws were revised to provide for 2-year terms for Officers. Mr. Hilton has been re-elected every two years since then. Most of the votes were unanimous, and all were by a clear majority.

At the regular Delegates' Convention in September, 2007, the Delegates elected Mr. Hilton as President by acclamation (as there were no other nominees) at the meeting.

At the regular Delegates' Convention in September, 2008, an amendment was proposed to the MPOA's Bylaws to revise the listing for the Wooded Shores Subdivision in Art. I § 6 to "Wooded Shores Property Improvement Association, Inc." - the new name of the Original Corporation. 42 votes were cast in favor of the amendment and 24 votes were cast against it. The amendment was therefore defeated because it required a two-thirds majority.

IV. Analysis

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Section 112.45(d) of the *Illinois General Not-for-Profit Corporation Act of 1986* provides as follows regarding reinstatement of a corporation following administrative dissolution:

Upon the filing of the application for reinstatement, the corporate existence shall be deemed to have continued without interruption from the date of the issuance of the certificate of dissolution, and the corporation shall stand revived with such powers, duties and obligations as if it had not been dissolved; and all acts and proceedings of its officers, directors and members, acting or purporting to act as such, which would have been legal and valid but for such dissolution, shall stand ratified and confirmed.

805 ILCS 105/112.45(d).

Since 1945, the Original Corporation has acted as the Lot Owners' Association for the Wooded Shores Subdivision under the subdivision's covenants. Regardless of the Original Corporation's corporate status during the period of administrative dissolution from 2002-2007, the Secretary of State accepted and placed on file its Application for Reinstatement on August 8, 2007. Under the above statute, this filing triggered three consequences. First, the corporate existence of the Original Corporation is now deemed to have continued without interruption. Second, the Original Corporation now has the same powers, duties and obligations as if it had not been dissolved. Finally, the statute provides that all of the acts and proceedings of its officers, directors and members during the dissolution period now stand ratified and confirmed.

This means that the election of a board of directors of the Original Corporation each year is ratified. And it further means that the election of Mr. Hilton each year as the Delegate/Director to MPOA from Wooded Shores is also ratified. The valid election of Mr. Hilton as a Delegate and Director to MPOA made Mr. Hilton eligible to serve as an officer of MPOA. Therefore, the election of Mr. Hilton as President of MPOA in September, 2007, and in previous years, was also legal and valid. Mr. Hilton is now, and has been for the last 15 years, the President of MPOA.

In contrast, there is no support, statutory or otherwise, for the proposition that the New Corporation acquired the right to represent the lot owners of the Wooded Shores Subdivision merely by taking the name "Wooded Shores Property Owners Association, Inc." Such a proposition finds no support in the deeded covenants applicable to properties in Wooded Shores. A single corporation has served as the lot owners' association since 1945, even though it has had three different names during those 63 years. The name of that corporation is currently the Wooded Shores Property Improvement Association, Inc.

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We assume that Mr. Mathews' argument that Mr. Hilton is not legally a Delegate/Director or President of MPOA is based on the name of the New Corporation and the listing of that name in Article I, Section 6, of the MPOA Bylaws. But that argument exalts form over substance and finds no support in the law.

In a similar situation, the Illinois Appellate Court prohibited a corporation from using its name because it would cause confusion. In *Northwest Suburban Congregation Beth Judea, Inc. v. Rosen*, 103 Ill. App. 3d 1137, 432 N.E.2d 335, 59 Ill. Dec. 751 (2d Dist. 1982), a congregation was incorporated under the name Congregation Beth Judea, Inc. In 1981 it was involuntarily dissolved for failure to file an annual report. A rabbi and some members of the congregation, who had organized a new congregation, incorporated under the same name while the original corporation was dissolved. The original corporation was then reinstated but was forced to use a different name. When the new congregation began advertising under the name "Congregation Beth Judea," the original congregation went to court to obtain an injunction prohibiting the new congregation from using that name.

In court, the new congregation argued that they were only using the name of their corporation and should be allowed to do so. However, the court disagreed and enjoined them from using that name. The court explained:

It is true, persons seeking to form a corporation may ordinarily choose any name their fancy dictates, subject, however, to the rule that they may not choose the name of a corporation already existing, or one that is to be used to deceive the public, or to be passed off for that of some other person or firm in business. When a corporation violates that rule, it does so at its peril. Neither does the fact that the state issues a charter to a corporation by a certain name give to such corporation a right to use it, if it was deliberately chosen, or is used for the purpose of deceiving the public and thereby appropriating the business of another.

Id., 103 Ill. App. 3d at 1140, 432 N.E.2d at 338, 59 Ill. Dec. at 754.

Similarly, it seems obvious that Mr. Mathews and his 4 fellow incorporators chose the name of their new corporation in an attempt to usurp the authority of the existing lot owners' association. As in the *Congregation Beth Judea* case, Illinois law does not support such an effort.

V. Conclusion

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Based on the facts and law, we conclude that the lot owners' association for the Wooded Shores Subdivision is an Illinois corporation in good standing and is now known as the Wooded Shores Property Improvement Association (WSPIA). This is the same corporation that has served as the lot owners' association for the Wooded Shores Subdivision since 1945 under three different names. We further conclude that all actions taken by the WSPIA Board of Directors during the period of involuntarily dissolution were ratified upon reinstatement by the Illinois Secretary of State.

We further conclude that The Wooded Shores Property Improvement Association, Inc., is a member of the MPOA, notwithstanding the change in its name and the fact that its old name is listed in Article I, Section 6 of the Bylaws of the MPOA. The fact that its name was changed does not affect its legal status as a member of the MPOA. We recommend that the Bylaws be amended to correct what is in the nature of a typographical error as a result of the change in name.

Finally, we conclude that Richard Hilton has been properly elected as a Delegate/Director from Wooded Shores to the MPOA since 1993 and has been properly elected by the Delegates of the MPOA as President of the MPOA since 1993 and currently serves as President of MPOA.

If you have any further questions or concerns, please contact us.

MEMORANDUM

TO: Nominating Committee
Wonder Lake Master Property Owners Association

FROM: Dean W. Krone and Steven M. Richart

DATE: September 3, 2009

RE: Eligibility of Richard Hilton to Serve as President of the MPOA

You have asked for our opinion as to whether Richard Hilton is eligible to serve as President of the Master Property Owners Association, Inc., in light of arguments made and a lawsuit filed by Thomas P. Mathews in connection with the Wooded Shores Subdivision. On October 7, 2008, we provided a memorandum setting forth our opinion that Mr. Hilton was properly elected as a Delegate/Director from the Wooded Shores Subdivision and is legally serving as the President of the MPOA. We have examined the written materials distributed and the complaint filed by Mr. Mathews and we remain convinced that our previous opinion was correct and that Mr. Hilton is still qualified to serve as President of the MPOA.

I. Facts

We assume that the facts stated in our October 7, 2008, memorandum have not changed. We are enclosing a copy of that memorandum for your convenience. As in our previous memorandum, we will continue to refer to the Wooded Shores Property Improvement Association, Inc. as the "Original Corporation." We will refer to the entity recently incorporated by T.P. Mathews and four (4) other lot owners as the "New Corporation."

As noted in our previous memorandum, our understanding is that the Original Corporation has, since 1945, exercised the duties and responsibilities of the lot owners' association under the covenants and restrictions of the Wooded Shores Subdivision by collecting assessments and maintaining roads and common grounds. We understand that the Original Corporation has been recognized by the MPOA as a member throughout the MPOA's existence, and that the members of the Board of the Original Corporation voted to elect Richard Hilton as a Delegate/Director of the MPOA. Moreover, we understand that the New Corporation was formed without any input or consent from the other lot owners within the Wooded Shores Subdivision.

Finally, in addition to the above, we note that the Original Corporation's annual reports to the Illinois Secretary of State identify it as a "Homeowner's Association that administers a common-

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interest community as defined in subsection (c) of Section 9-102 of the *Code of Civil Procedure*.” We assume that this identification is correct and that the Original Corporation has properly complied with the voting and notice requirements for such a designation pursuant to Section 9-102(b) of the *Code of Civil Procedure*. We also note that the New Corporation also identifies itself as administering a common interest community pursuant to Section 9-102(b) of the *Code of Civil Procedure*.

II. Litigation

On April 14, 2009, Mr. Mathews and the New Corporation filed an action in the McHenry County Circuit Court against the Original Corporation and its President, docketed as No. 09 CH 848. Though the complaint contains 47 paragraphs, the salient allegations are as follows: The complaint alleges that the Original Corporation never had any property interest in the common grounds of Wooded Shores. The complaint alleges that instead the developer reserved ownership of the common grounds of Wooded Shores to himself and subsequently transferred them to Mathews. The complaint alleges that, as a result, the Original Corporation has no authority to act as the lot owners’ association pursuant to the covenants and restrictions of the Wooded Shores Subdivision. The complaint alleges that because Mathews now owns the common grounds, only Mathews has the authority to lawfully designate the lot owners’ association for the Wooded Shores Subdivision. Mr. Mathews and the New Corporation are requesting that the court declare the New Corporation to be the lawful lot owners’ association for the Wooded Shores Subdivision, invalidate the Original Corporation as the lot owners’ association, and enjoin the Original Corporation from collecting dues from the property owners of the Wooded Shores Subdivision.

III. Authority for Associations Administering Common Interest Communities

Mr. Mathews raises the issue of whether the association for Wooded Shores must derive its authority from approval by the developer or ownership of common grounds or, instead, whether its actual representation of the lot owners within a subdivision is sufficient. Under Section 9-102(c) of the *Code of Civil Procedure*, “common interest community” is defined as real estate with respect to which any person by virtue of his or her ownership of a unit therein is obligated to pay for maintenance, improvement, insurance premiums, or real estate taxes of other real estate described in a declaration which is administered by an association. 735 ILCS 5/9-102(c). It is undisputed that the Wooded Shores Subdivision constitutes a “common interest community” within the above definition.

The question, then, is whether the Original Corporation is the legitimate association administering the common interest community. Under Section 9-102(c), “association” means “the association of all owners of units in the common interest community acting pursuant to the declaration.” *Id.* Here, as noted in our previous memorandum, the language from the Wooded

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Shores declaration provides that those to whom a lot in Wooded Shores is conveyed “agree to become members of the Lot Owners’ Association to be hereafter formed of lot owners in said subdivision.” The declaration further provides that “the Lot Owners’ Association [is] to be formed to govern and have supervision of the drives and community grounds of [the Wooded Shores] subdivision.” The language in the declaration does not require ownership by the association of the drives or community grounds by the Lot Owners’ Association; it provides only that the association is “to be formed to govern and have supervision” of such community grounds. Nor does the language in the declaration require the approval of the developer for the formation of the association. Courts generally enforce covenants and restrictions in a declaration as written. *See Board of Directors of Carriage Way Property Owners Association v. Western National Bank of Cicero*, 139 Ill. App. 3d 542, 487 N.E.2d 974, 94 Ill. Dec. 97 (1st Dist. 1985).

In addition, the overall legislative scheme in Section 9-102(b) of the *Code of Civil Procedure* makes it clear that the legislature intended for common interest communities to derive their authority from the representation and participation of lot owners, not from the developer. Section 9-102(b) requires associations of common interest communities to allow all owners to attend meetings of the board of directors and to provide certain notices to owners. 735 ILCS 5/9-102(b). Subsection (d) of Section 9-102 further provides that the boards of certain common interest communities are subject to Section 18.5 of the *Condominium Property Act*. 735 ILCS 5/9-102(d). The latter statute requires the election of a majority of the board of directors, other than the developer, after the conveyance by the developer of 75% of the units or after a certain time period after the recording of the declaration. 765 ILCS 605/18.5(f). Thus, under these statutes, the lot owners (and not the developer) have the right to elect the board of the association. Section 18.5 further requires the board of a common interest community to enable lot owner participation by providing notices of meetings, conducting meetings in the open and making the association’s records available to unit owners. *See* 765 ILCS 605/18.5.

Here, we understand that in general, the Original Corporation has represented the lot owners of Wooded Shores since 1945 with the lot owners’ participation. We understand that the Original Corporation has meetings open to all lot owners and provides notice of such meetings, and the New Corporation does neither.

We also note that the Original Corporation was formed in 1945, at a time when the common grounds were owned by the original developers, Anna and Grover Wickline. The Wicklines continued to own the common grounds until at least 1959. There is no evidence that the Wicklines objected to the formation or operation of the Original Corporation as the association for Wooded Shores during those 14 years, or at any time thereafter. It is also significant that Mr. Mathews alleges that he has owned or had an easement in some or all of the common grounds since 1959. And for 50 years since then the Original Corporation has operated as the association for Wooded Shores. Even assuming that Mr. Mathews had a right to determine which

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association should govern the common grounds in Wooded Shores, his failure to assert such a right for so many years undermines any claim he might have had to assert it now.

IV. Conclusion

Based on the facts and law, and for all the reasons discussed above, we conclude that the Original Corporation is the valid association representing the Wooded Shores Subdivision and is, therefore, the correct member of the MPOA. Thus, since the Original Corporation elected Mr. Hilton as a Delegate/Director of the MPOA, Mr. Hilton is qualified to serve as MPOA President.

If you have any questions regarding this opinion, please do not hesitate to contact us.

Village of Wonder Lake
McHenry County, Illinois
Special Service Area Number Nine
Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A

(Wonder Lake Dredging Project)

BOND PURCHASE AGREEMENT

March 9, 2010

Village of Wonder Lake, Illinois
4200 Thompson Road
Wonder Lake, Illinois 60097

The Master Property Owner's Association Inc.
7602 Hancock Drive
Wonder Lake, Illinois 60097

Ladies and Gentlemen:

The undersigned, William Blair & Company LLC (the "Purchaser"), offers to enter into the following agreement (this "Contract") with the Village of Wonder Lake, Illinois (the "Village"), which upon acceptance by both the Village and by the MPOA (as defined below) will be binding upon each of the Village, the MPOA and the Purchaser. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Series 2010A Bond Ordinance (as hereinafter defined).

This offer is made subject to acceptance by the Village and by the MPOA on or before 1:00 P.M., Chicago time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Purchaser upon notice delivered to the Village and the MPOA at the addresses set forth above at any time prior to the acceptance hereof by the Village and the MPOA. This offer is also subject to the following provisions:

1. Definitions

For purposes of this Contract, the following terms have the meanings specified in this section, unless another meaning is plainly intended:

(A) "Act" means the Special Service Area Tax Law of the State of Illinois, 35 ILCS 200/27-5 et seq., as amended.

(B) "Ancillary Documents" means the the Construction Agreement, and all other agreements and certificates executed and delivered in connection with the issuance and sale of the Series 2010A Bonds.

(C) "Area" means the Village of Wonder Lake Special Service Area Number Nine created pursuant to the Establishing Ordinance.

(D) "Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are required or authorized by law to be closed in the City of Chicago or the State of Illinois or a day on which the New York Stock Exchange is closed.

(E) "Closing" means the Closing as defined in Section 2(B) herein held on the Closing Date.

(F) "Closing Date" means March 15, 2010 or such earlier or later date as the Village, the MPOA and the Purchaser shall mutually agree upon, and refers to the date on which the transaction by which the Village delivers the Series 2010 Bonds to the Purchaser and the Series 2010A Bonds are paid for by the Purchaser pursuant to this Contract.

(G) "Code" means the Internal Revenue Code of 1986, as amended.

(H) "Construction Agreement" means the agreement dated March 15, 2010 between the Village of Wonder Lake, an Illinois municipal corporation and The Master Property Owner's Association, Inc. for the Wonder Lake, Illinois Area, an Illinois not-for-profit corporation.

(I) "Contract" means this Bond Purchase Agreement.

(J) "Establishing Ordinance" means, Ordinance No. 323 adopted by the corporate authorities of the Village on October 17, 2009 establishing the Village of Wonder Lake, Illinois Special Service Area Number Nine.

(K) "Governmental Body" means any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(L) "MPOA" means The Master Property Owner's Association, Inc. for the Wonder Lake, Illinois Area, an Illinois not-for-profit corporation ("MPOA").

(M) "Pledged Funds" means the Special Tax and the moneys and funds pledged to the payment of the Series 2010A Bonds pursuant to the Series 2010A Bond Ordinance.

(N) "Project" means the cleaning, restoration and dredging of portions of Wonder Lake including providing for any permits, engineering costs and consulting costs incurred in connection therewith.

(O) "Proposing Ordinance" means Ordinance No. 305 adopted by the corporate authorities of the Village on November 11, 2008 proposing to establish the Village of Wonder Lake, Illinois Special Service Area Number Nine.

(P) "Paying Agent" means Amalgamated Bank of Chicago, Chicago, Illinois.

(Q) "Purchaser" means William Blair & Company LLC.

(R) "Series 2010A Bond Ordinance" means Ordinance No. ~~336~~ adopted by the corporate authorities of the Village on March 9, 2010 relating to the Series 2010A Bonds.

(S) "Series 2010A Bonds" means the interest-bearing, taxable obligations issued by the Village pursuant to the Series 2010A Bond Ordinance and called the Village of Wonder Lake, McHenry County, Illinois, Special Service Area Number Nine Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A (Wonder Lake Dredging Project) in the aggregate principal amount of \$620,000.00.

(T) "Special Services" means the construction of certain public improvements to be constructed by the MPOA pursuant to the Project.

(U) "Village" means the Village of Wonder Lake, McHenry County, Illinois.

2. Purchase and Sale of the Bonds.

(A) Sale of Bonds. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein, the Purchaser hereby agrees to purchase from the Village for a private placement, and the Village hereby agrees to sell to the Purchaser for such purpose, all, but not less than all, of the \$620,000, aggregate principal amount of Series 2010A Bonds, at a purchase price equal to \$610,700, which reflects an Underwriter's discount of \$9,300. The Series 2010A Bonds shall be due on March 1, 2019, and shall bear interest at the rate of 7.00%. The Series 2010A Bonds shall be issued pursuant to the Series 2010A Bond Ordinance. The Series 2010A Bonds shall be dated, shall mature and be subject to mandatory redemption on such dates and in such amounts, shall bear interest at such rates, shall be offered at the initial offering prices and shall be subject to such other terms and conditions, all as described in the Series 2010A Bond Ordinance.

(B) Closing The purchase and sale of the Series 2010A Bonds shall take place on the Closing Date at the offices of Foley & Lardner LLP, Chicago, Illinois. At the Closing, as defined below, the Purchaser will accept the delivery of the Series 2010A Bonds duly executed by the Village, together with other documents herein mentioned, and will make payment therefor as provided herein by immediately available funds payable to the order of the Trustee for the account of the Village.

The payment for the Series 2010A Bonds and delivery of the Series 2010A Bonds, as herein described, is herein called the "Closing."

3. Village's Pre-Closing Deliveries.

(A) Prior to the Closing Date, the Village shall have delivered or caused to be delivered to the Purchaser a certified copy of the Establishing Ordinance, the Series 2010A Bond Ordinance, and such other ordinances of the Village which shall include the authorization of the execution, delivery and performance of this Contract, the Series 2010A Bonds and the other

Ancillary Documents to which the Village is a party, among other things, together with such reasonable number of copies of each of the foregoing as the Purchaser shall request.

(B) The Village hereby authorizes the Series 2010A Bonds and the Ancillary Documents and all other instruments, documents and agreements delivered pursuant to Section 8 of this Contract or in connection with the transactions contemplated hereby, for use in connection with the offering and sale of the Series 2010A Bonds. The Village hereby agrees to furnish such information, execute such instruments and take such other action at the expense of and in cooperation with the Purchaser as the Purchaser may deem reasonably necessary in order to qualify the Series 2010A Bonds for offering and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Purchaser may designate; provided, however, that the Village shall not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

4. Representations and Warranties of the Village.

The Village represents and warrants to and agrees with the Purchaser that:

(A) Village. The Village is a non-home rule unit, municipal corporation duly organized and validly existing and is in good standing under the laws and the Constitution of the State of Illinois. The Village is authorized and empowered by the Act and the Series 2010A Bond Ordinance and such other ordinances of the Village as have been duly adopted by the Village, to enter into the transactions contemplated by this Contract, the Series 2010A Bond Ordinance and the Ancillary Documents to which the Village is or is to be a party. The adoption of each of the Series 2010A Bond Ordinance and the Establishing Ordinance and the execution, delivery and performance by the Village of this Contract, the Ancillary Documents to which the Village is or is to be a party and the issuance of the Series 2010A Bonds are within the legal right, power and authority of the Village, have been duly and validly authorized by all necessary proceedings of the Village, and such execution, delivery and performance by the Village as of the date of this Contract and as of the Closing Date do not and will not contravene, or constitute a breach of or default (with due notice or the passage of time or both) under, any provision of law, ordinance or regulation applicable to the Village, or any provision of the municipal code or other rules and procedures of the Village, or any judgment, order, decree, agreement or instrument binding on it or, result in the creation of any lien or other encumbrance on any asset of the Village. This Contract and the Series 2010A Bond Ordinance each constitute, and the Ancillary Documents to which the Village is or is to be a party, when executed and delivered by the Village and any other parties thereto, will constitute valid and binding agreements of the Village enforceable against the Village in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization, or other similar laws affecting creditors' rights generally and by the availability of equitable remedies, and the Series 2010A Bonds, when issued and delivered by the Village in accordance with this Contract and the Series 2010A Bond Ordinance will have been duly authorized and issued and will constitute valid and binding obligations of the Village enforceable against the Village in accordance with their terms, except to the extent limited by bankruptcy, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies.

(B) Use of Proceeds. The Village will not take or omit to take any action which will in any way cause or result in the proceeds from the sale of the Series 2010A Bonds being applied other than as provided in the Series 2010A Bond Ordinance.

(C) Governmental Authorization. All authorizations, consents and approvals of any Governmental Body required in connection with the execution and delivery by the Village of, or in connection with the performance by the Village of its obligations under, the Series 2010A Bonds, the Series 2010A Bond Ordinance, the Establishing Ordinance, this Contract, or the Ancillary Documents to which the Village is or is to be a party, have been obtained and are in full force and effect, or will be obtained prior to Closing and will be in full force and effect as of the Closing Date. To the best knowledge of the Village, all authorizations, consents and approvals of any Governmental Body required in connection with the construction or operation of the Project by the Village have been obtained and are in full force and effect as of the Closing Date.

(D) No Liens or Encumbrances. There are no existing liens, claims, charges or encumbrances on or rights to any funds, revenues or interests pledged pursuant to the Series 2010A Bond Ordinance which are senior to, or on a parity with, the claims of the holders of the Series 2010A Bonds. The Village has not entered into any contract or arrangements of any kind, and there is no existing, pending, threatened, or anticipated event or circumstance that might give rise to any lien, claim, charge or encumbrance on or right to the assets, properties, funds, or interests pledged pursuant to the Series 2010A Bond Ordinance which would be prior to, or on a parity with, the claims of the holders of the Series 2010A Bonds. The Village is lawfully entitled to receive, pledge and assign all amounts or revenues which have been pledged or assigned as security for the payment of the principal of and interest on the Series 2010A Bonds.

(E) No Litigation. As of the date of this Contract and as of the Closing Date (i) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, to restrain or enjoin, or threatening or seeking to restrain or enjoin, the issuance, sale or delivery of the Series 2010A Bonds or the delivery by the Village of any of the Ancillary Documents to which the Village is a party, or the collection of Pledged Funds, or in any way contesting or affecting the validity of the Series 2010A Bonds, or any of the Ancillary Documents to which the Village is a party, or in any way questioning or affecting (w) the proceedings under which the Series 2010A Bonds are to be issued, (x) the validity or enforceability of any provision of the Series 2010A Bonds, the Series 2010A Bond Ordinance, the Establishing Ordinance or this Contract, (y) the authority of the Village to collect the Pledged Funds, or to perform its obligations hereunder or with respect to the Series 2010A Bonds, or to consummate any of the transactions set forth in the Ancillary Documents to which it is or is to be a party as contemplated hereby or by the Series 2010A Bond Ordinance, (z) the legal existence of the Village, or the title of its Board of Trustees or officers to their offices, and (ii) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, involving any of the property or assets within the Village which may result in any material adverse change in the Pledged Funds, assets or the financial condition of the Village or the proposed construction or operation of the Project by the MPOA pursuant to the Construction Agreement.

(F) Certificates. Any certificate signed by an authorized officer of the Village and delivered to the Purchaser shall be deemed a representation and covenant by the Village to the Purchaser as to the statements made therein.

(G) Ordinances. Each of the Series 2010A Bond Ordinance, the Establishing Ordinance and the Proposing Ordinance is in full force and effect, and has not been amended, modified, revoked or repealed.

5. Representations and Warranties of the MPOA.

The MPOA represents and warrants to and agrees with the Purchaser and the Village that:

(A) Organization and Power. The MPOA is a duly organized and validly existing corporation under the laws of the State of Illinois. The MPOA has all power and authority and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and to enter into and perform its obligations under this Contract, and all Ancillary Documents to which it is or is to be a party or parties.

(B) Authorization of Agreements, etc. This Contract and the Ancillary Documents to which the MPOA is or is to be a party have each been or will be duly authorized, executed and delivered by the MPOA and constitute the legal, valid and binding agreement of the MPOA enforceable against the MPOA in accordance with their respective terms; provided that the enforceability of such documents may be limited by bankruptcy, reorganization, insolvency and similar laws affecting the enforcement of creditor's rights and remedies generally, as applied in the event of bankruptcy, reorganization or insolvency of the MPOA and to equitable remedies. The MPOA has duly authorized all necessary action to be taken by it for the execution and delivery of this Contract and the Ancillary Documents to which the MPOA is or is to be a party, and any and all other agreements and documents as may be required to be executed or delivered by the MPOA in order to effectuate the transactions contemplated herein and therein.

(C) Construction Agreement. Except for (i) engineering approvals to be completed as part of the Project, and (ii) those other consents, permits and approvals customarily obtained during construction and development of the Project, any and all of the conditions precedent to the obligations of the MPOA arising under the Construction Agreement have been satisfied. MPOA has obtained or will obtain all easements and rights-of-way necessary to construct and operate the Special Services (except such easements or rights-of-way that the Village is obligated to obtain pursuant to the Construction Agreement, if any).

(D) No Material Change. The MPOA has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business and there has been no material adverse change in the business, financial position, prospects or results of operations of the MPOA, which would affect the MPOA's ability to perform its obligations pursuant to this Contract or the Ancillary Documents, to the extent to which the MPOA is or is to be a party to any such agreement.

(E) Noncontravention. The execution, delivery and performance by the MPOA of its respective obligations under this Contract and the Ancillary Documents to which MPOA is a party, do not and to the MPOA's knowledge, will not contravene, or constitute a default under, any provision of applicable law or regulation or organizational documents of the MPOA, or of any agreement, judgment, injunction, order, decree or other instrument binding upon the MPOA, and will not result in the creation of any lien or other encumbrance upon any asset of the MPOA.

(F) Governmental or Corporate Consents. No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any Governmental Body or corporate entity in connection with the execution or delivery by the MPOA of this Contract or any Ancillary Document to which the MPOA is or is to be a party, or, if any such action is required, the same has been duly taken, is in full force and effect and constitutes valid and sufficient consent or approval therefor, including, without limitation, zoning approvals and permits, except for (i) final engineering approvals to be completed as part of the Project, (ii) those other consents and approvals which are customarily obtained during construction of the Project. The MPOA has no reason to believe any such consent or approval will not be obtained in due course. The MPOA has obtained or will obtain executed written easement agreements for any and all easements necessary for the construction and operation of the Special Services (except such easements or rights-of-way that the Village is obligated to obtain pursuant to the Construction Agreement, if any).

(G) No Litigation. There is no material action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the MPOA, in which the MPOA is a party or, to the knowledge of the MPOA threatened against the MPOA (i) contesting or in any way relating to (a) the construction and development of the Project, (b) the generation of Pledged Funds or the transactions contemplated by the issuance of the Series 2010A Bonds or (ii) which in any way contests the existence or power of the MPOA or the validity or enforceability of the Series 2010A Bonds, the Ancillary Documents, this Contract or which if adversely determined could have a material adverse effect on the MPOA.

(H) Use of Proceeds. The MPOA will not take or omit to take any action which will in any way cause or result in the proceeds of the sale of the Series 2010A Bonds being applied in a manner other than as provided in the Series 2010A Bond Ordinance.

(I) No Default. No default or event of default on the part of the MPOA has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default on the part of the MPOA under this Contract, the Ancillary Documents to which the MPOA is a party, or any other material agreement or material instrument to which the MPOA is a party or by which the MPOA is or may be bound.

(J) Approvals. The MPOA has received and is in good standing with respect to any applicable certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to conduct and to continue to conduct its business as heretofore conducted by it and to own or lease and operate its properties

as now owned or leased by it, except those of the foregoing that are currently in process. The MPOA has obtained or, to the extent not obtained as of the date hereof, will use best efforts to obtain, any applicable certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to construct the Project.

(K) Certificates. Any certificate signed by an authorized representative of the MPOA and delivered to the Village or the Purchaser shall be deemed a representation and warranty by the MPOA to the Village and the Purchaser as to the statements made by MPOA therein.

(L) No Challenges. The MPOA agrees that it will not bring any suit, action or proceeding which challenges the establishment of the Area, the levy, extension and collection of the Special Tax, the validity of the Series 2010A Bonds or the proceedings relating to the Series 2010A Bonds.

6. Representations and Warranties and Agreements of the Purchaser.

Limited Offering. The Purchaser agrees to make a limited offering of the Series 2010A Bonds to accredited investors and shall obtain an "Accredited Investor Letter" from each purchaser in the form attached as Exhibit B to the Series 2010A Bond Ordinance.

7. Termination of the Purchase Contract.

The Purchaser shall have the right to cancel Purchaser's obligations to purchase the Series 2010A Bonds, if, between the date hereof and the date of Closing, (i) any action or event shall have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, or, in the reasonable opinion of the Purchaser, such action or event pertaining to the federal income tax consequences referenced above materially adversely affects the market for the Series 2010A Bonds or the sale, at the contemplated offering price, by the Purchaser of the Series 2010A Bonds; (ii) legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date on or prior to the date of Closing, or a decision by a court of the United States shall be rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction over the subject matter shall be made, the effect of which is that the Series 2010A Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect; (iii) a stop order, ruling or regulation by the Securities and Exchange Commission shall be issued or made, the effect of which is that the issuance, offering or sale of the Series 2010A Bonds, as contemplated herein, is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect; (iv) there shall occur any outbreak of hostilities or any regional, national or international calamity or crisis or a financial crisis and the effect is such as, in the reasonable judgment of the Purchaser, would materially adversely affect the market for or the marketability of the Series 2010A Bonds

or obligations of the general character of the Series 2010A Bonds; (v) a general suspension of trading on the New York Stock Exchange is in force; (vi) a general banking moratorium is declared by federal or state authorities; (vii) there occurs any material adverse change in the affairs, operations or financial conditions of the Village, or in the affairs, operations or financial condition of the MPOA; (viii) in the reasonable judgment of the Purchaser, the market price of the Series 2010A Bonds, or the market price generally of obligations of the general character of the Series 2010A Bonds, might be adversely affected because: (A) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (B) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Series 2010A Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters; (ix) a war involving the United States of America shall have been declared, or any conflict involving the armed forces of any country shall have escalated, or any other international, national or regional emergency relating to or affecting the effective operation of government or the financial community shall have occurred, which, in the reasonable judgment of the Purchaser, materially adversely affects the market for the Series 2010A Bonds or of obligations of the general character of the Series 2010A Bonds; (x) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2010A Bonds or in any way protesting or affecting any authority for or the validity of the Series 2010A Bonds, the Series 2010A Bond Ordinance, or the existence or powers of the Village; (xi) there shall have occurred a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city or political subdivision of any state, the effect of which, in the reasonable judgment of the Purchaser, would materially adversely affect the ability of the Purchaser to market the Bonds.

8. Conditions of Closing.

The Purchaser's obligation to purchase the Series 2010A Bonds under this Contract is subject to the performance by the Village and the MPOA of their respective obligations hereunder at and prior to the Closing Date, to the accuracy in the reasonable discretion of the Purchaser, of the representations and warranties of the Village and the MPOA contained herein as of the Closing Date, and, in the reasonable discretion of the Purchaser, to the following conditions, including the delivery of such documents as are enumerated herein in form and substance satisfactory to the Purchaser and its counsel as of the Closing Date:

(A) Ordinances in Effect and Village in Compliance Therewith. At the time of the Closing (i) each of the Series 2010A Bond Ordinance, the Establishing Ordinance and the Proposing Ordinance shall be in full force and effect, and shall not have been amended, modified or supplemented since the date hereof, except as may have been agreed to in writing by the Purchaser, and the Village shall have duly adopted and there shall be in full force and effect such additional ordinances or agreements as shall be, in the opinion of Bond Counsel, necessary in connection with the transactions contemplated hereby and (ii) the Village shall perform or have performed all of its obligations required under or specified in this Contract with regard to the Series 2010A Bonds or the Series 2010A Bond Ordinance to be performed at, simultaneously with or prior to the Closing.

(B) Opinions of Bond Counsel. The Purchaser shall have received an unqualified approving legal opinion dated the Closing Date as to the Series 2010A Bonds, addressed to the Village, the Purchaser and the MPOA, from Foley & Lardner LLP, Bond Counsel, satisfactory to the Purchaser in its reasonable discretion.

(C) Opinion of Counsel to the Village. The Purchaser shall have received a favorable opinion dated the Closing Date, addressed to the Purchaser, Bond Counsel, and the MPOA, from Cowlin, Curran & Coppedge, counsel to the Village, satisfactory to the Purchaser in its reasonable discretion.

(D) Opinion of Counsel to the MPOA. The Purchaser shall have received a favorable opinion dated the Closing Date, addressed to the Purchaser, the Village, and Bond Counsel from Hodges, Loizzi, Eisenhammer, Rodick & Kohn, counsel to the MPOA, satisfactory to the Purchaser in its reasonable discretion.

(E) Performance: No Default. Each of the Village and the MPOA shall have performed and complied with all agreements and conditions herein required to be performed or complied with by each of them prior to or on the Closing Date, and at the time of the Closing no event of default or default shall have occurred and be continuing with respect to the Ancillary Documents or the Series 2010A Bonds.

(F) Ancillary Documents. At the Closing Date, (i) all of the Ancillary Documents shall be in full force and effect, shall have been duly executed and copies delivered to the Purchaser by, and shall constitute valid and binding agreements of, the parties thereto, shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser and there shall be no defaults or events of default thereunder and (ii) the proceeds of the sale of the Series 2010A Bonds shall be applied or deposited with the Village for application as described in the Series 2010A Bond Ordinance.

(G) Closing Certificate of Village President of the Village. The Village shall have delivered to the Purchaser a certificate dated the Closing Date, addressed to the Purchaser and the Trustee signed by the Village President of the Village in form and substance reasonably satisfactory to the Purchaser.

(H) Officer's Certificate of the MPOA. The MPOA shall have delivered to the Purchaser a certificate dated the Closing Date, addressed to the Purchaser signed by an authorized officer of the MPOA in form and substance reasonably satisfactory to the Purchaser.

(I) The Bonds. The Series 2010A Bonds shall have been duly authorized, executed, authenticated, delivered, and the proceeds from the sale thereof applied, in accordance with the provisions of the Series 2010A Bond Ordinance.

(J) Specimen Bonds. The Purchaser shall have received specimen Series 2010A Bonds.

(K) Certified Copies of Ordinances. The Purchaser shall have received certified copies of the Series 2010A Bond Ordinance and the Establishing Ordinance. The Series 2010A Bond Ordinance shall include authorization for execution and delivery of this Contract.

(L) Insurance Policies. The MPOA shall have delivered to the Village any and all of the items currently due as required pursuant to the terms of the Construction Agreement, as requested by the Village. The MPOA shall have delivered adequate evidence of insurance.

(M) Additional Opinions, Certificates, etc. The Purchaser shall have received such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser, the Village or their respective counsel may deem reasonably necessary or desirable.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Contract shall be deemed to be in compliance with the provisions of this Contract only if in the reasonable judgment of the Purchaser, they are satisfactory in form and substance.

If there shall be a failure to satisfy the conditions of the Purchaser's obligations contained in this Contract or if the Purchaser's obligations to purchase the Series 2010A Bonds shall be terminated for any reason permitted by this Contract, this Contract shall terminate, and the Purchaser, the Village and the MPOA shall not have any further obligations hereunder, except for the obligations set forth in Section 9 hereof which shall remain in full force and effect.

9. Payment of Expenses.

All fees, costs and expenses associated with the issuance of the Series 2010A Bonds, including without limitation, the reasonable fees and disbursements of the preparer of the Bond Counsel, Foley & Lardner, MPOA's legal counsel, Hodges, Loizzi, Eisenhammer, Rodick & Kohn, and the Village's counsel, Cowlin, Curran & Coppedge, shall be disbursed and paid by the Village from the proceeds of the Series 2010A Bonds.

10. Notices.

Except as otherwise provided in this Contract, whenever notice is required to be given pursuant to the provisions of this Contract, such notice shall be in writing and shall be mailed by first class mail postage prepaid.

11. Law Governing.

This Contract shall be construed in accordance with and governed by the laws of the State of Illinois.

12. Headings.

The headings of the paragraphs and subparagraphs of this Contract are inserted for convenience only and shall not be deemed to constitute a part of this Contract.

13. Counterparts.

This Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. Parties and Interests.

This Contract is made solely for the benefit of the Village, the Purchaser and the MPOA, including the successors and assigns of the Purchaser, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof.

15. Indemnification.

The MPOA agrees to indemnify, defend and hold the Purchaser and the Village and its officers, employees, attorneys, engineers and consultants harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), to the extent resulting from, arising out of, or based upon: (i) any breach or default on the part of the MPOA in the performance of any of its obligations under or in respect of this Contract; (ii) any act of negligence of the MPOA or any of its agents, contractors, servants or employees; or (iii) any violation by the MPOA of any easement, law, ordinances or codes affecting the Area or the Improvements or (iv) any claims, damages or liabilities to which the Purchaser or the Village may become subject as a result of the issuance of the Bonds or the establishment of the Special Service Area to finance the costs of the Improvements. In case any such claim shall be made or action brought based upon any such claim in respect of which indemnity may be sought against the MPOA, upon receipt of notice in writing from the Purchaser or the Village setting forth the particulars of such claim or action, the MPOA shall assume the defense thereof including the employment of counsel reasonably acceptable to the Purchaser and the Village and the payment of all costs and expenses. The Purchaser and the Village shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Purchaser or the Village as applicable.

16. Amendment or Assignment.

This Contract may not be amended except through the written consent of all of the parties hereto and is not assignable.

17. Survival of Representations, Warranties, Agreements and Obligations.

Each respective representation, warranty and agreement of the Village, the MPOA and the Purchaser shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Purchaser, the MPOA, and the Village and shall survive the Closing. This Section 17, the obligations of the Village under Sections 9, 10, 15 and 16 hereof, the obligations of the Purchaser under Section 15 hereof and the obligations of the MPOA under Sections 10 and 15, hereof shall survive any termination of this Contract pursuant to its terms.

18. Severability.

If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this Contract shall not affect the validity of the remaining portions of this Contract, or any part hereof.

[SIGNATURES FOLLOW]

Very truly yours,

WILLIAM BLAIR & COMPANY, LLC

By: _____
Its: _____

Accepted and agreed to by the under-
signed as of the date first above written.

MPOA, an Illinois not-for-profit corporation

By: Richard A. Keeton
Its: President

VILLAGE OF WONDER LAKE, an Illinois
municipal corporation

By: [Signature]
Its: President

**AGREEMENT BETWEEN THE VILLAGE
OF WONDER LAKE AND
THE MASTER PROPERTY OWNER'S ASSOCIATION, INC.
FOR THE WONDER LAKE, ILLINOIS AREA
WONDER LAKE DREDGING PROJECT**

THIS AGREEMENT ("Agreement") made and entered into this 9th day of March, 2010, is by and between the Village of Wonder Lake, an Illinois municipal corporation, McHenry County, Illinois (the "Village"), and The Master Property Owners Association, Inc. For The Wonder Lake, Illinois Area, an Illinois not-for-profit corporation ("MPOA").

WITNESSETH:

WHEREAS, the MPOA was formed for the purpose of promoting the Wonder Lake recreation area and to control and maintain the lake bottom and other community property pertinent thereof, and in furtherance thereof has undertaken a restoration and enhancement project for the lake that will include dredging approximately one million cubic yards of sediment from impacted areas within Wonder Lake and deepening the original lake bottom for lake protection and stabilizing certain islands and to allow for future maintenance clean out and the construction of facilities for removal and disposal of the sediment (the "Project");

WHEREAS, the MPOA submitted an application to the Village to request the Village propose the establishment of a Special Service Area, which includes property within the Village and unincorporated McHenry County that has access to Wonder Lake (the "Area"), in accordance with the Special Service Area Tax Law (35 ILCS 200/27-5) (the "SSA Act") to help finance certain costs relating to the Project;

WHEREAS, the improvements to be undertaken as part of the Project are unique and special services within the meaning of 35 ILCS 200/27-5 that will benefit the Area specially and are in addition to the municipal services provided to the Village as a whole. All of the improvements are to be located within the Village or unincorporated McHenry County and shall generally consist of and include costs of cleaning, restoration and dredging of Wonder Lake, stabilizing certain islands, the construction of facilities to store the sediment, the engineering, permits and consultant's costs incurred in connection therewith and related improvements; costs incurred to pay capitalized interest on bonds issued to finance such improvements; to establish any necessary reserve fund; to pay issuance costs; to pay the Special Service Area Number Nine administration costs; and to reimburse the Village and MPOA for their expenses including but not limited to legal fees relating to the Bonds; (collectively the "Improvements"). The Improvements and the estimated related costs are attached hereto as Exhibit A;

WHEREAS, the President and Board of Trustees of the Village (the "Corporate Authorities") determined in Ordinance 323 that the Area would benefit specially from construction of the Improvements and that it would be in the best interest of the Village to adopt an ordinance (the "Establishing Ordinance") designating the Area as a "Special Service Area Number Nine" pursuant to Article VII, Section 7 of the Illinois Constitution and the Illinois Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.* and authorizing the levy of ad valorem



special service area taxes upon the taxable real property within the Special Service Area Number Nine;

WHEREAS, the Corporate Authorities also authorized the issuance of bonds to finance the costs of the Improvements pursuant to Ordinance No. 330 adopted by the Corporate Authorities on March 9, 2010 (the "Bond Ordinance") authorizing the issuance of Village of Wonder Lake, McHenry County, Illinois, Special Service Area Number Nine Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A (Wonder Lake Dredging Project) (the "Series 2010A Bonds") to pay a portion of the costs of the Improvements, including the financing and other costs associated with the funding of the Improvements, and it is contemplated additional series of bonds will be issued by either or both of the Village or McHenry County, Illinois (the "County") to finance additional costs of the Improvements;

WHEREAS, the Parties agree that the MPOA shall bid the cost of constructing Improvements in accordance with plans and specifications to be prepared by MPOA and approved by the Village, and all rules and requirements for public bidding that would be required of the Village. The proceeds from the sale of the Series 2010A Bonds shall be under the control of the Village and the proceeds of any additional bonds shall be under the control of the Village, or if issued by the County under the control of the County or a trustee for such bonds appointed by the County, and shall be used to pay for the Improvements. All improvements shall be constructed in accordance with the terms and provisions of the approved engineering plans and specifications and construction documents. All such construction documents, plans and specifications shall be approved by the Village Engineer and the Village Board of Trustees before commencement of any work;

WHEREAS, the proceeds from the sale of the Bonds issued by the County (the "County Bond Proceeds") to be used to pay for the Improvements shall be held by an institutional trustee, as trustee for the Bond Holders ("Trustee"), in an account entitled the "Improvement Fund" in accordance with a trust indenture relating to the Bonds (the "Trust Indenture");

WHEREAS, the Corporate Authorities determined that the Project is in the vital and best interest of the Village and the health, safety, morals and welfare of its residents, that property within Special Service Area Number Nine will benefit specially from the special services to be provided to the area and the financing of the Improvements by the Village is in accordance with the public purposes and provisions of applicable state and local laws;

WHEREAS, this Agreement has been submitted to the Corporate Authorities for consideration and review, and the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Village according to the terms hereof. The MPOA has taken all actions necessary and adopted the proper resolutions to make this Agreement binding upon the MPOA according to the terms hereof; and

WHEREAS, the Village and the MPOA wish to set forth certain agreements regarding the funding of the Improvements and the terms under which the Village will disburse Bond proceeds for payment of such costs.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, IT IS HEREBY AGREED by and between the Village and the MPOA as follows:

**ARTICLE I
RECITALS**

Section 1.1 The foregoing recitals are hereby fully incorporated into and made a part of this Agreement as if fully set forth herein.

**ARTICLE II
DEFINITIONS**

In addition to the terms defined in the recitals, when used in this Agreement, and notwithstanding any other meanings, understandings or definitions ascribed by common usage or otherwise for any other purpose, the following words and terms shall have the meanings hereinafter ascribed to them and no other:

"Area" means the Village of Wonder Lake, Illinois Special Service Area Number Nine established by the Corporate Authorities pursuant to Ordinance No. 323 of the Village.

"Bond Documents" means the bond ordinance, trust indenture, tax certificates, bonds, bond purchase agreement, and any other document authorizing the issuance of, or executed in connection with, the Series 2010A Bonds and any other Bonds issued by the Village or the County to finance the Improvements.

"Bonds" means the Series 2010A Bonds and the County Bonds and any additional bonds issued by the Village to fund the Project and any bonds to refund such bonds.

"County Bonds" means any bonds issued by the County of McHenry, Illinois to finance the costs of the Improvements or the Project.

"Effective Date" means the date on which this Agreement shall become effective pursuant to Section 9.8 of this Agreement.

"Force Majeure" means orders of the United States, State of Illinois, or other civil or military authority, changes in applicable law, strikes, lock-outs, acts of God, inability to obtain labor or materials, enemy action, civil commotion, fire, unavoidable casualty, or other similar events or circumstances.

"Improvement Fund" means any Improvement Fund, Project Fund or other fund established pursuant to the Bond Documents in which proceeds of the Series 2010A Bonds or any additional bonds are deposited for the purpose of paying costs of the Improvements.

ARTICLE III MUTUAL ASSISTANCE

The MPOA and Village agree to take such actions, including the execution and delivery of such documents, instruments, petitions, certifications (and in the Village's case, the adoption of such ordinances and resolutions), as may be necessary or appropriate from time to time to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

ARTICLE IV CONSTRUCTION OF THE IMPROVEMENTS

Section 4.1 Construction of Improvements by the MPOA. As required by the Illinois Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.* the Improvements provide a special service specific and unique to the Area, and are essential to the Area. The MPOA shall bid for the construction of and construct the Improvements for the benefit of and on behalf of the Village as provided in this Article IV. Construction of the Improvements shall commence within six months after the sale of the Bonds. With respect to the Improvements to be constructed with proceeds of Bonds, the interest on which is tax-exempt (hereinafter referred to as "Tax-Exempt Bonds"), such proceeds shall be fully expended on the Improvements as required by the bond documents executed in connection with such bonds. With respect to all Improvements, they shall be subject to inspection by the Village after the sale of the Bonds. The Improvements shall be paid for as provided in Article VI of this Agreement.

Section 4.2 Duty of the MPOA to Construct.

(a) The MPOA, on behalf of the Village, shall cause the Improvements to be constructed as a special and unique benefit to the Area. All Improvements to be constructed hereunder shall be constructed in substantial accordance with all the applicable laws, ordinances and rules and shall be constructed in a good workmanlike and commercially reasonable manner. At all times, the MPOA shall employ and/or contract with adequate staff, consultants and contractors possessing the requisite experience necessary to administer and coordinate the construction of the Improvements.

(b) The Parties agree that the MPOA shall receive payment for the construction of the Improvements in an amount equal to the amount or amounts shown on the budget or budgets attached hereto as Exhibit A (the "Budgeted Amount"). In the event that the actual cost of constructing a particular Improvement exceeds the cost budgeted for that Improvement ("Excess Cost"), the MPOA shall be permitted to utilize funds allocated to other Improvements to pay the Excess Cost; provided, however, that any Improvements to be paid for with Bond Proceeds must constitute a "Special Service" as defined in the Bond Documents and if financed with Tax-Exempt Bonds is subject to any requirements set forth in the Bond Documents relating to such Bonds. The MPOA and the Village shall cooperate with each other and shall each use their best efforts to cause the cost of constructing the Improvements to be no more than the Budgeted Amount. However, it is understood that if despite the Parties' best efforts, the cost of constructing the Improvements exceeds the Budgeted Amount, then the MPOA shall not be required to complete construction of the Improvements, and to the extent that

the amounts available from the Improvement Fund are not sufficient to pay for all costs of constructing the Improvements, the remaining Improvements shall not be constructed. Notwithstanding the foregoing, the MPOA acknowledges that any lack of availability of amounts in the Improvement Fund shall in no way diminish any obligation of the MPOA to pay for the costs of completing any work required by law or contract.

(c) Subject to Article VIII of this Agreement, if the MPOA fails to complete the Improvements within the time specified herein, or any extensions of time granted by the Village (which extension shall not be unreasonably withheld) or the MPOA abandons the project (ceases all work for a period of six (6) consecutive months) without reasonable cause for delay, and, if as a result, a material breach of this Agreement occurs, the Village shall have the right but not the obligation to complete the Improvements using the remaining Bond Proceeds on deposit in the Improvement Fund to pay for the completion of the Improvements identified in the Project Budget attached as Exhibit A under the caption "Bond Proceeds". Upon completion of the Improvements by the Village, the Village shall issue to the MPOA a written Certificate of Completion of the Improvements. Additionally, to the extent that the remaining Bond Proceeds are not sufficient to pay for the reasonable costs of such completion of the Improvements as may be required by Section 6.3 of this Agreement by the Village, the Village shall have the right to draw upon the performance bond identified in Section 4.8 for such reasonable additional costs of completion.

Section 4.3 Submission and Approval of Plans and Engineering. The MPOA shall, as required by Village ordinance, submit the plans and specifications for the Project to the Village for its review and approval, which approval shall not be unreasonably withheld. The Village covenants that it will review and process all of the submitted MPOA's plans and specifications in a timely manner.

Section 4.4 Conformance to Federal, State, and Local Requirement. All work with respect to the Improvements shall conform to all applicable ordinances, codes, rules and regulations in effect as of the date of this Agreement and all applicable federal, state and local laws, regulations, codes, rules and ordinances.

Section 4.5 Insurance. Prior to commencement of construction of the Improvements, the MPOA shall cause to be procured and delivered to the Village and shall maintain in full force and effect until construction of the Improvements has been completed, an insurance policy ("Insurance Policy") of commercial liability insurance and, during any period of construction, contractor's liability insurance and worker's compensation insurance, with liability coverage under the commercial liability insurance of not less than Two Million Dollars per occurrence and Five Million Dollars in the aggregate (which may be in the form of umbrella coverage) and limits under the other policies of insurance in accordance with statute, all such policies to be in such form and issued by such companies as shall be reasonably acceptable to the Village, to protect the Village and the MPOA against any liability incidental to the use of, or resulting from, any accident occurring on or about the Improvements or the construction of an improvement thereof. Each such policy shall name the Village as an additional named insured party. The cost of the Insurance Policy shall be paid or reimbursed from the County Bond Proceeds.

Section 4.6 Rights of Inspection. During construction of the Improvements, the Village or its designee shall have the right any time and from time to time to enter upon the Property for the purpose of conducting such inspections as the Village may deem appropriate. In the event that the Village or its designee discovers a defect or deficiency in the construction of the Improvements, the Village or its designee shall promptly notify the MPOA thereof. Any such inspection by the Village of the Improvements shall not be construed as a representation by the Village that there has been compliance with the Construction Plans or that the Improvements will be or are free of faulty materials or workmanship, or as a waiver of any right that the Village or any other party may have against the MPOA or any other party for failure to comply with the Construction Plans or the provisions of this Agreement.

Section 4.7 Administration of SSA. The Village may contract with an administrator or consultant to administer the Special Service Area Number Nine, including, without limitation, delivery of any reports required by the Bond Documents relating to Special Service Area Number Nine, and enforcement of delinquent special taxes, on such terms as shall be reasonably agreed to by the Village and such consultants. The costs related to the administration of the Special Service Area Number Nine, if any, shall be payable from the special tax collections or Bond proceeds.

Section 4.8 Security for Public Improvements. The MPOA will provide the Village with a surety bond in the amount of the cost of construction of the Improvements as security for completion of any Improvements required to be completed pursuant to Section 6.3 of this Agreement. In the event the bond proceeds are insufficient to complete the Improvements, the Village may draw upon the surety bond for payment of such Improvements. The cost of the surety bond will be paid or reimbursed out of the County Bond Proceeds.

ARTICLE V MPOA INDEMNIFICATION OF THE VILLAGE

The MPOA agrees to indemnify, defend and hold the Village and its officers, employees, attorneys, engineers and consultants harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), to the extent resulting from, arising out of, or based upon: (i) any breach or default on the part of the MPOA in the performance of any of its obligations under or in respect of this Agreement; (ii) any act of negligence of the MPOA or any of its agents, contractors, servants or employees; or (iii) any violation by the MPOA of any easement, law, ordinances or codes affecting the Area or the Improvements or (iv) any claims, damages or liabilities to which the Village may become subject as a result of the issuance of the Bonds or the establishment of the Special Service Area to finance the costs of the Improvements. In case any such claim shall be made or action brought based upon any such claim in respect of which indemnity may be sought against the MPOA, upon receipt of notice in writing from the Village setting forth the particulars of such claim or action, the MPOA shall assume the defense thereof including the employment of counsel reasonably acceptable to the Village and the payment of all costs and expenses. The Village shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Village.

**ARTICLE VI
PAYMENT FOR IMPROVEMENTS**

Section 6.1 Improvements to be Constructed.

(a) Request for Payment. The MPOA may submit to the Village Engineer, or his written designee not more frequently than once each calendar month, a written request as provided in Exhibit B ("Request for Payment") for payment of the costs of constructing those portions of the Improvements which have been completed to date and are identified on the Construction Plans and as enumerated in the third Whereas Clause of the Recitals. The Village Engineer shall inspect each portion of the Improvements for which payment is requested and shall, within ten (10) business days after submission of a Request for Payment, make its inspection and confirm that the work for which payment is requested has been done. Additionally, within twenty-one (21) days of the inspection and confirmation of work, the Village Board of Trustees shall vote to approve the Request for Payment, upon which the Village Engineer shall execute and deliver to the MPOA a written statement ("Disbursement Request") in which the Village Engineer states it has inspected the work described therein and that the Village Board of Trustees has approved payment therefor in the amount provided for in the Disbursement Request.

(b) Denial of Compliance. If, in the Village Engineer's reasonable opinion, any portion of the work is not in compliance with the Construction Plans, the Village Engineer shall, within ten (10) business days after submission of a Request for Payment, notify the MPOA in writing of: (1) the specific improvements which it believes are not in compliance with the Construction Plans, (2) the reasons why it believes that the work is not in compliance with the Construction Plans, and (3) the reasons why it is not approving a portion or all of the requested disbursement together with reasonably detailed explanations thereof. However, to the extent that the Request for Payment relates to multiple Improvements and the Village Engineer confirms that some of the Improvements addressed by the Request for Payment are complete, then, within twenty-one (21) days of the inspection, the Village Board of Trustees shall vote to approve those portions of the Request for Payment, and the Village Engineer shall execute and deliver to the MPOA a Disbursement Request stating that the Village Engineer has inspected the work therein described and approved payment therefor in the amount provided in the Disbursement Request.

(c) Release of Funds. At such time as work covered by a Request for Payment is approved by the Village Engineer and, subject to the provisions of the Bond Documents, the Village Engineer and Village Board of Trustees shall deliver a Disbursement Request to the Trustee, if any, directing the Trustee to disburse, or disburse funds directly if held by the Village, to the MPOA the amount of funds provided for in the Disbursement Request to the extent that funds are available in the Improvement Fund.

Section 6.2 Conditions Precedent to Payment. The Village Engineer and Village Board of Trustees shall authorize the disbursement of funds by the Village or the Trustee, if applicable, to the MPOA to pay for those portions of the Improvements which have been completed upon satisfaction of the following conditions:

(a) The MPOA has submitted to the Village Engineer, a Request for Payment with respect to such portions of the Improvements and the Village Engineer has issued, or is required to issue, a Disbursement Request with respect thereto; and

(b) Subject to the Force Majeure provisions of Article VIII the MPOA is not in default under this Agreement.

(c) The MPOA has provided the Village Engineer with all appropriate waivers of lien and supporting affidavits to the satisfaction of the Village.

Section 6.3 Bond Proceeds.

(a) The Bond Proceeds shall be deposited, held, invested, reinvested and disbursed as provided in the Bond Documents. Sufficient Bond Proceeds shall be deposited in the Improvement Fund, which, together with anticipated interest earnings, will fully fund the budgeted amounts set forth in Exhibit A for the Improvements under the caption "Bond Proceeds." Monies in the Improvement Fund shall be withdrawn therefrom in accordance with the provisions of the Bond Documents and the applicable provisions of this Agreement for payment of all or a portion of the cost of constructing the Improvements under the heading Bond Proceeds. The MPOA understands and agrees that the Village alone shall direct the investment of funds on deposit in the funds and accounts established by or pursuant to the Bond Documents, including the Improvement Fund.

(b) Bond proceeds shall only be invested in government insured securities. Except in the event of fraud or gross negligence, the Village shall have no responsibility whatsoever to the MPOA with respect to any investment of Bond Proceeds, including any loss of all or a portion of the principal invested or any penalty for liquidation of investment. Any such loss may diminish the amounts available in the Improvement Fund to pay the cost of constructing the Improvements. The MPOA further acknowledges that the obligation of any owner of real property in the Area to pay special service area taxes is not in any way dependent on the availability of amounts in the Improvement Fund to pay for all or any portion of Improvements. The MPOA acknowledges that any lack of availability of amounts in the Improvement Fund to pay the cost of constructing the Improvements shall in no way diminish any obligation of the MPOA to pay for any costs of completing any work required by law or contract.

Section 6.4 Limited Liability of Village. The MPOA agrees that any and all obligations of the Village arising out of or related to this Agreement are special and limited obligations of the Village and the Village's obligations to make any payments under this Agreement are restricted entirely to the monies, if any, in and available for disbursement from the Improvement Fund and from no other source. Except in the event of fraud or gross negligence, no member of the Corporate Authorities, or any Village staff member, employee or agent, or consultant, including attorneys and engineers, shall incur any liability under this Agreement to the MPOA or any other party in their individual capacities by reason of their actions under this Agreement or the execution of this Agreement.

ARTICLE VII AUTHORITY

Section 7.1 Powers. Each Party hereby represents and warrants to the other Party that the Party making such representation and warranty has full constitutional and lawful right, power and authority, under currently applicable law, to execute, deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary Village proceedings, findings and actions and all necessary MPOA actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the Village and the MPOA, enforceable in accordance with its terms and provisions and does not require the consent of any other governmental authority.

Section 7.2 Authorized Parties. Whenever under the provisions of this Agreement and other related documents and instruments or any supplemental agreements, any request, demand, approval, notice or consent of the Village or the MPOA is required, or the Village or the MPOA is required to agree or to take some action at the request of the other party, such request, demand, approval, notice or consent, or agreement shall be given for the Village, unless otherwise provided herein, by the Village Treasurer or his or her written designee and for the MPOA by its President, or his written designee; and either party shall be authorized to act on any, such request, demand, approval, notice or consent, or agreement or other action and neither party hereto shall have any complaint against the other party as a result of any such action taken.

ARTICLE VIII FORCE MAJEURE

Section 8.1 Neither the Village nor the MPOA shall be responsible for any failure to perform the undertakings, obligations, and commitments each has assumed pursuant to this Agreement to the extent caused by a Force Majeure. However, the Village and the MPOA shall promptly resume the undertakings, obligations, and commitments each has assumed upon the cessation of the Force Majeure.

ARTICLE IX LEGAL RELATIONSHIPS AND REQUIREMENTS

Section 9.1 No Third Party Beneficiaries. Nothing in this Agreement shall create, or be construed or interpreted to create, any third party beneficiary rights.

Section 9.2 Entire Agreement. There are no representations, covenants, promises, or obligations not contained in this Agreement that form any part of this Agreement or upon which any of the parties are relying in entering into this Agreement.

Section 9.3 Amendments. Except as expressly provided otherwise in this Agreement, this Agreement shall not be modified, changed, altered, amended, or terminated without the written and duly authorized consent of all parties hereto.

Section 9.4 Waivers. No term or condition of this Agreement shall be deemed waived by any party unless the terms of condition to be waived and the circumstances giving rise to such waiver are set forth specifically in a duly authorized and written waiver of such party. No waiver

by any party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition of this Agreement, nor shall waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or different provisions of this Agreement.

Section 9.5 Interpretation and Severability. It is the intent of both parties that this Agreement be construed and interpreted so as to preserve its validity and enforceability as a whole. In case of any conflict among the provisions of this Agreement, the provision that best promotes and reflects the intent of the parties shall control. If any provision of this Agreement is construed or held to be void, invalid, or unenforceable in any respect, the remaining provisions of this Agreement shall not be affected thereby but shall remain in full force and effect.

Section 9.6 Regulatory Bodies. This Agreement shall be subject to all valid rules, regulations, the laws applicable hereto passed and promulgated by the United States of America, the State of Illinois, or any other governmental body or agency having lawful jurisdiction, or any authorized representative or agent of any of them; provided, however, that this Section 9.6 shall not be construed as waiving the right of any part to challenge the validity of any such rules, regulations, or laws on any basis, including the impairment of this Agreement.

Section 9.7 Successors; Assignment. Neither party hereto shall have the right to assign this Agreement or any of its rights and obligations hereunder or to terminate its obligations hereunder by dissolution or otherwise without first securing the written consent of the other parties, except as may be provided by law. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of both parties hereto.

Section 9.8 Effective Date and Term. This Agreement shall take effect as of the date first above written when executed by the last of the duly authorized representatives of the MPOA and the Village.

Section 9.9 Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed delivered to the addressee thereof when delivered in person or by express mail or messenger at the address set forth below or by facsimile with facsimile proof of receipt or three business days after deposit thereof in any main or branch United States post office, regular mail, postage prepaid, properly addressed to the parties, respectively, as follows:

For notices and communications to the Village:

Village of Wonder Lake
4444 Thompson Road
Wonder Lake, Illinois 60097
Attn: President
Telephone: 815-728-0839
Facsimile: 815-728-1226
Email: wlvillage@wlvillage.org

For notices and communications to the MPOA:

The Master Property Owners Association, Inc. For the Wonder
Lake, Illinois Area
7602 Hancock Drive
Wonder Lake, Illinois 60097
Attn: Richard Hilton
Telephone: 815-653-4136
Facsimile: 815-653-5097
Email: wildick@comcast.net

By notice complying with the foregoing requirement of this Section 9.9, each party shall have the right to change the names and addresses or both for all future notices and communications to such party, but no notice of a change of address shall be effective until actually received.

Section 9.10 Illinois Law. This Agreement shall be construed in accordance with the laws of the State of Illinois.

Section 9.11 Exhibits. The Exhibits attached to this Agreement are, by this reference, incorporated into and made a part of this Agreement.

Section 9.12 Execution in Counterparts. This Agreement may be executed in two (2) identical original counterparts, and each of said two (2) counterparts shall, individually, be taken as and constitute an original of this Agreement.


Section 9.13 Enforcement.

(a) Remedies. The parties hereto may in law or in equity enforce or compel the performance of this Agreement and shall otherwise have all remedies provided by applicable United States of America, State of Illinois, and local laws, ordinances, rules, and regulations.

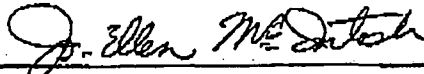
(b) Attorneys Fees. Each party shall bear its own costs and expenses (including attorneys' fees) incurred in any judicial or administrative proceeding brought for enforcement or breach of any provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written.

VILLAGE OF WONDER LAKE

By: 
Village President

ATTEST:


Village Clerk

**THE MASTER PROPERTY OWNER'S
ASSOCIATION, INC. FOR THE WONDER
LAKE, ILLINOIS AREA**

By: 
President

Exhibit A

1. Project Costs/Bond Proceeds

Project Financing

| | |
|--|---------------------|
| 1. Land Acquisition | \$ <u>0</u> |
| 2. Site Development | \$ <u>863,800</u> |
| 3. New Construction | \$ <u>3,047,887</u> |
| 4. Purchase of Building (and land) | \$ <u>0</u> |
| 5. Renovation Costs | \$ <u>1,521,659</u> |
| 6. Equipment, Machinery | \$ <u>0</u> |
| 7. Furniture & Fixtures | \$ <u>0</u> |
| 8. Professional Fees* | |
| 1) New Construction | \$ <u>392,696</u> |
| 2) Renovation | \$ <u>106,677</u> |
| 9. Other (specify) | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| 10. Total Project Cost (round to \$100's) | \$ <u>5,932,730</u> |

Bond Issue Amount \$5,932,730

Equity \$ _____

Other (specify) \$ _____

Total \$5,932,730
(must equal line 10)

Note * Professional Fees have been broken into New Construction and Renovation Costs to reflect differences.

Exhibit B

REQUEST FOR PAYMENT FORM

TO: Village of Wonder Lake
4444 Thompson Rd.
Wonder Lake, Illinois 60097

Re: \$ _____
Village of Wonder Lake
McHenry County, Illinois
Special Service Area Number Nine
Unlimited Ad Valorem Taxable Special Tax Bonds, Series 2010A
(Wonder Lake Dredging Project)

Amount Requested: _____

Total Disbursements to Date: _____

1. Each obligation for which a disbursement is hereby requested is described in reasonable detail in Schedule I hereto together with the name and address of the person, firm, or corporation to whom payment is due, which may include The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area for reimbursement of amounts expended, and any other payment instructions.
2. The bills, invoices, or statements of account for each obligation referenced in Schedule I are attached hereto as Schedule II.
3. The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area hereby certifies that:
 - a. This written requisition is for payment of costs in connection with the issuance of the above-referenced Series 2010A Bonds and the specific purpose for which this request is made is described in Schedule I.
 - b. The disbursement is for payment of a Special Service.
 - c. Such Special Service has been completed in accordance with the terms of the agreement entitled "Agreement Between the Village of Wonder Lake and The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area - Wonder Lake Dredging Project" (the "Agreement").
 - d. Payment instructions sufficient to make the requested payment are set forth in Schedule I.
 - e. No portion of the amount being requested to be disbursed was set forth in any previous request for disbursement.

- f. The Master Property Owner's Association, Inc. For the Wonder Lake, Illinois Area is not in default under the Agreement.

The Master Property Owner's Association, Inc.
For the Wonder Lake, Illinois Area

By: _____

Name: _____

Title: _____

Date Request for Payment received:

_____, 20__

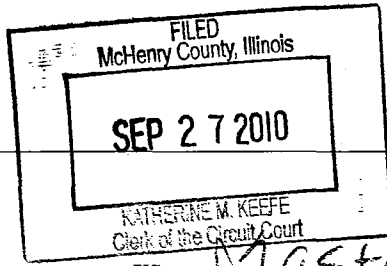
Inspected and approved for payment

By: _____

Name: _____

Title: Village Engineer

STATE OF ILLINOIS }
COUNTY OF MCHENRY } SS



GEN. NO. 10 CH 1004
 Jury Non-Jury

Mathews

vs. Master Property
Owners Association

Date 9/27/10 Plaintiff's Attorney Jim Kelly Defendant's Attorney Dean Krone

AGREED ORDER

This case coming before the Court on Defendant MPOA's motion for Sanctions and Motion for Fees and all parties appearing by Counsel, IT IS ORDERED that 1) Plaintiff has until October 25, 2010, to respond to both motions; 2) Defendant has until November 8, 2010, to reply; and 3) Status is set for November 30, 2010 at 9:00 a.m.

Prepared by: Dean Krone
Attorney for: Defendant MPOA
Attorney Registration No.: 6190868
Firm I.D. No. 26941

Judge Thomas A. Meyer



STATE OF ILLINOIS APPELLATE COURT SECOND DISTRICT

OFFICE OF THE CLERK
847/695-3750
847/695-0092 TDD

APPELLATE COURT BUILDING
55 SYMPHONY WAY
ELGIN, ILLINOIS 60120-5558

Appeal from the Circuit Court of County of McHenry

Trial Court No.: 10CH1004

THE COURT HAS THIS DAY, 11/05/10, ENTERED THE FOLLOWING FINAL ORDER
IN THE CASE OF:

Gen. No.: 2-10-0946

Mathews, Thomas P. v. Master Property Owners Association

Motion by defendant-appellee, Master Property Owners' Association, Inc., to dismiss the appeal for lack of jurisdiction is granted, and this appeal is hereby dismissed. Appellant is advised that he may file his appeal within 30 days of the ruling of the pending Supreme Court Rule 137 motion for sanctions, pursuant to this court's holding in Knoerr v. Knoerr, 377 IA3 1042, 879 NE2 1053. THIS ORDER IS FINAL AND SHALL STAND AS THE MANDATE OF THIS COURT.
(Hutchinson, Burke, Schostok, JJ.)

Robert J. Mangan
Clerk

cc: Thomas P. Mathews
Hamer Schuh & Cuda
Steven J. Cuda
Hodges, Loizzi, Eisenhammer, Rodick & Kohn
✓ Dean W. Krone
Hon. Katherine M. Keefe, Circuit Clerk

MASTER PROPERTY OWNERS ASSOCIATION, INC.
7602 Hancock Drive
Wonder Lake, Illinois 60097
815-653-4136

MEMO

DATE: November 2nd, 2010
TO: McHenry County Board Chairman and All McHenry County Board Members
FROM: Wonder Lake MPOA Officers
SUBJECT: ARRA Bonds to Fund Wonder Lake Restoration Project

On Saturday, October 30th, 2010 the Wonder Lake MPOA Board of Directors cast their weighted votes (1 vote for each 100 lots or less within their respective subdivisions) to approve a Resolution authorizing the sale of ARRA Stimulus Bonds to partially fund the Wonder Lake Dredging Project. The vote was 42 YES and 26 NO, a 62% margin. It is interesting to note that this 62% margin mirrors the percentage of both property owners and electors within the Special Service Area (SSA) territory who chose to NOT sign the petition to stop the formation of the Special Service Area taxing district.

Issuing ARRA Bonds to cover the \$3,820,000 portion of the total \$5,930,780 cost of our project will directly benefit property owners within the SSA Territory, as well as create jobs. Below is a chart comparing the 2008 assessment cost projections on SSA property to 2010 assessment cost projections resulting from funding \$3,820,000 of the project with Stimulus Bonds authorized by the County of McHenry. The information used to develop this chart was provided by the bond underwriter, Wm. Blair & Company.

NO PROPERTY TAX EXEMPTIONS

| <u>TYPE</u> | <u>Mkt. Value</u> | <u>EAV</u> | <u>2010 Est.</u> | <u>2008 Est.</u> |
|-------------------|-------------------|------------|------------------|------------------|
| Vacant Lot | \$ 30,000 | \$ 10,000 |\$ 22 |\$ 31 |
| Improved Property | \$100,000 | \$ 33,330 |\$ 73 |\$103 |
| Improved Property | \$160,000 | \$ 53,328 |\$117 |\$165 |
| Improved Property | \$300,000 | \$ 99,990 |\$220 |\$310 |
| Improved Property | \$500,000 | \$166,650 |\$367 |\$517 |

HOMESTEAD EXEMPTION (\$6,000)

| <u>TYPE</u> | <u>Mkt. Value</u> | <u>(EAV)</u> | <u>2010 Est.</u> | <u>2008 Est.</u> | <u>Low Inc. Payment</u> | <u>Very Low Inc. Payment</u> |
|-------------------|-------------------|--------------|------------------|------------------|-------------------------|------------------------------|
| Improved Property | \$100,000 | \$ 27,330 |\$ 60 |\$ 88 |\$ 36 (\$ 53) |\$ 24 (\$ 35) |
| Improved Property | \$160,000 | \$ 47,328 |\$104 |\$150 |\$ 62 (\$ 90) |\$ 42 (\$ 60) |
| Improved Property | \$300,000 | \$ 93,990 |\$207 |\$294 |\$124 (\$176) |\$ 83 (\$118) |
| Improved Property | \$500,000 | \$160,650 |\$353 |\$501 |\$211 (\$306) |\$141 (\$204) |

HOMESTEAD & ELDER EXEMPTIONS (\$6,000 + 4,000 = 10,000)

| <u>TYPE</u> | <u>Mkt. Value</u> | <u>(EAV)</u> | <u>2010 Est.</u> | <u>2008 Est.</u> | <u>Low Inc. Payment</u> | <u>Very Low Inc. Payment</u> |
|-------------------|-------------------|--------------|------------------|------------------|-------------------------|------------------------------|
| Improved Property | \$100,000 | \$ 23,330 |\$ 51 |\$ 77 |\$ 31 (\$ 46) |\$ 20 (\$ 31) |
| Improved Property | \$160,000 | \$ 43,328 |\$ 95 |\$139 |\$ 57 (\$ 83) |\$ 38 (\$ 56) |
| Improved Property | \$300,000 | \$ 89,990 |\$198 |\$284 |\$119 (\$170) |\$ 79 (\$114) |
| Improved Property | \$500,000 | \$156,650 |\$345 |\$490 |\$207 (\$294) |\$138 (\$196) |

Note: All items in **RED** were presented for consideration during and following the Village of Wonder Lake Public Hearing on the SSA held 12/17/2008.

As a result of funding \$3,820,000 through a ARRA Stimulus Bond, there will be a roughly 30% reduction in the annual SSA assessment cost for property located within Village of Wonder Lake SSA number 9, as compared to the annual SSA cost estimates originally projected and presented to the Wonder Lake Community at the December 17th, 2008 SSA Public Hearing.

To minimize the impact of our project on those with a fixed or limited income, the MPOA is committed to a rebate program, funded without use of funds from any County and/or Village issued bonds. The amounts shown in black print in the Charts detailing “Low Inc. Payment” & “Very Low Inc. Payment” represents the 2010 estimate of the net “after rebate” amount that will be paid by those qualifying for rebate assistance. The Low Income category reflects a 40% reduction in the annual SSA payment (after applicable Exemptions) and the Very Low Income category represents a 60% reduction.

November 9, 2011

Soren Hall, Project Manager
U.S. Army Corps of Engineers, Chicago District
Regulatory Branch
111 North Canal Street, 6th Floor
Chicago Illinois 60606-7206

SUBJECT: Response to Additional Information Request for the proposed Wonder Lake Hydraulic Dredging Project, Wonder Lake, McHenry County, Illinois" (LRC-2010-00396)

Dear Mr. Hall:

This letter is in response to your October 11, 2011 Information Request for the Wonder Lake Hydraulic Dredging Project, Wonder Lake, McHenry County, IL. The MPOA has provided the requested additional project information to complete a review of the Project of the permit application as requested. Responses to the following requests are provided below along with pertinent attachments. Please feel free to contact me if you have any questions or need additional information.

Sincerely,



Peter Berrini, P.G. CLM
Project Manager

Attachments

Cc: Keith Wozniak, Chief, West Section, Regulatory Branch, USACE, Chicago District
Richard Hilton, President, Wonder Lake MPOA
Randy Stowe, Lake Manager, Wonder Lake MPOA
Gary Jereb, Illinois DNR, OWR
Darren Gove, Illinois EPA
Joe Bartletti, CWS, HDR



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
CHICAGO DISTRICT, CORPS OF ENGINEERS
111 NORTH CANAL STREET
CHICAGO, ILLINOIS 60606-7206

Received

OCT 14 2011

HDR

October 11, 2011

Technical Services Division
Regulatory Branch
LRC-2010-00396

SUBJECT: Information Request for the Proposed Wonder Lake Hydraulic Dredging Project,
Wonder Lake, McHenry County, Illinois

Richard Hilton
Master Property Owners Association, Inc.
7602 Hancock Drive
Wonder Lake, Illinois 60097

Dear Mr. Hilton:

This is in regard to your August 26, 2010 permit application and additional information received for the above-referenced project. This office requests the following additional information to complete a review of your project under an Individual Permit:

1. The area (in acres) of waters of the U.S. to be impacted;
2. Construction drawings (reduced-sized) showing all aspects of the proposed activity, including existing and proposed contours, utilities, the location of wetlands/waters of the United States to be impacted and not impacted, the Ordinary High Water Mark (OHWM) and/or the Normal Water Level (NWL) of all waters, and the observed outermost boundary of all wetlands. In addition, the drawings shall include detailed plan and profile views of all structures to be installed in jurisdictional areas. If applicable, the drawings shall also depict buffer areas, outlots, best management practices, deed restriction areas, and restoration areas. Include the most recent cover page for the construction drawings. Include the most recent cover page and index page(s) for the construction drawings disclosing current revision dates on all sheets;
3. Soil erosion and sediment control plan;
4. The project shall employ Best Management Practices (BMP's) to protect water quality and minimize impacts of stormwater on aquatic resources. You shall submit a written narrative which describes how the BMP hierarchy was used in determining the water quality protection practices selected for the project site. BMP(s) may also be located in upland buffers adjacent to wetlands and other waters of the U.S.;
5. A discussion of the measures taken to avoid and minimize impacts to aquatic resources on the project site;

6. A compensatory mitigation plan for impacts to waters of the United States;
7. A complete alternatives analysis in light of the revised SDF location. This will clearly describe the alternatives that were considered and how each alternative meets the project goals. Provide all factors that were used for consideration of alternatives including impacts to waters of the U.S. and cost;
8. A revised project discussion to include the revised pipeline route and SDF site;
9. Results from the hydraulic calculations for Galt Creek that identify adequate capacity for conveying return flow from the SDF;
10. The adaptive management plan for potential adverse affects to Galt Creek;
11. An agreement from the conservation easement holders agreeing to the use of the protected property for the completion of this project;
12. Results from the archeological survey for the SDF facilities;
13. A discussion of the potential for increased noise resulting from dredging operation;
14. A discussion of the any adverse affects on the use of the lake during dredging operations, including fishing, boating, or other uses;
15. A Section 7 species list for the project area using the on-line application at the U.S. Fish & Wildlife Service website. The application will indicate whether resources (species and habitats) listed or designated under the Endangered Species Act of 1973, as amended (Act), may be present within areas affected (directly or indirectly) by the proposed project. You can access "U.S. Fish and Wildlife Service Endangered Species Program of the Upper Midwest" website at <http://www.fws.gov/midwest/Endangered> . Click on the Section 7 Technical Assistance and follow the instructions to completion. Print all documentation and forward the information to this office for review. Either a "no effect" determination will be made or a biological assessment/biological evaluation will need to be completed to determine if the proposed action is likely or not likely to adversely affect them. If the latter, the Corps will request initiation of Section 7 consultation with the U.S. Fish and Wildlife Service.

Responses to the above-requested items shall also be submitted to the Illinois Environmental Protection Agency so that they may continue reviewing your project for Water Quality Certification.

Your prompt attention to this matter will enable the Corps of Engineers to proceed with the evaluation of your application in a timely manner. If you do not provide your response within 30 days of the date of this letter (and you have not been granted additional time), it will be presumed that you no longer wish to pursue the project and your application will be withdrawn without further notification.

More information may be requested at a later date to determine compliance with Section 404 (b) (1) Guidelines.

Please visit our website at <http://www.lrc.usace.army.mil/co-r> for further information regarding the Regulatory Program. If you have any questions, please contact Mr. Soren Hall of my staff by telephone at 312-846-5532, or email at Soren.G.Hall@usace.army.mil.

Sincerely,



Keith L. Wozniak
Chief, West Section
Regulatory Branch

Copy Furnished:

Illinois Department of Natural Resources/OWR (Gary Jereb)
Illinois Environmental Protection Agency (Thad Faught)
HDR Engineering (Peter Berrini)
Biotechnical Erosion Control, LTD (Randy Stowe)

USACE Comment Response Document

Subject: Information Request for the Proposed Wonder Lake Dredging Project, Wonder Lake, McHenry County, Illinois (LRC-2010-00396)

1. The area (in acres) of waters of the U.S. to be impacted;

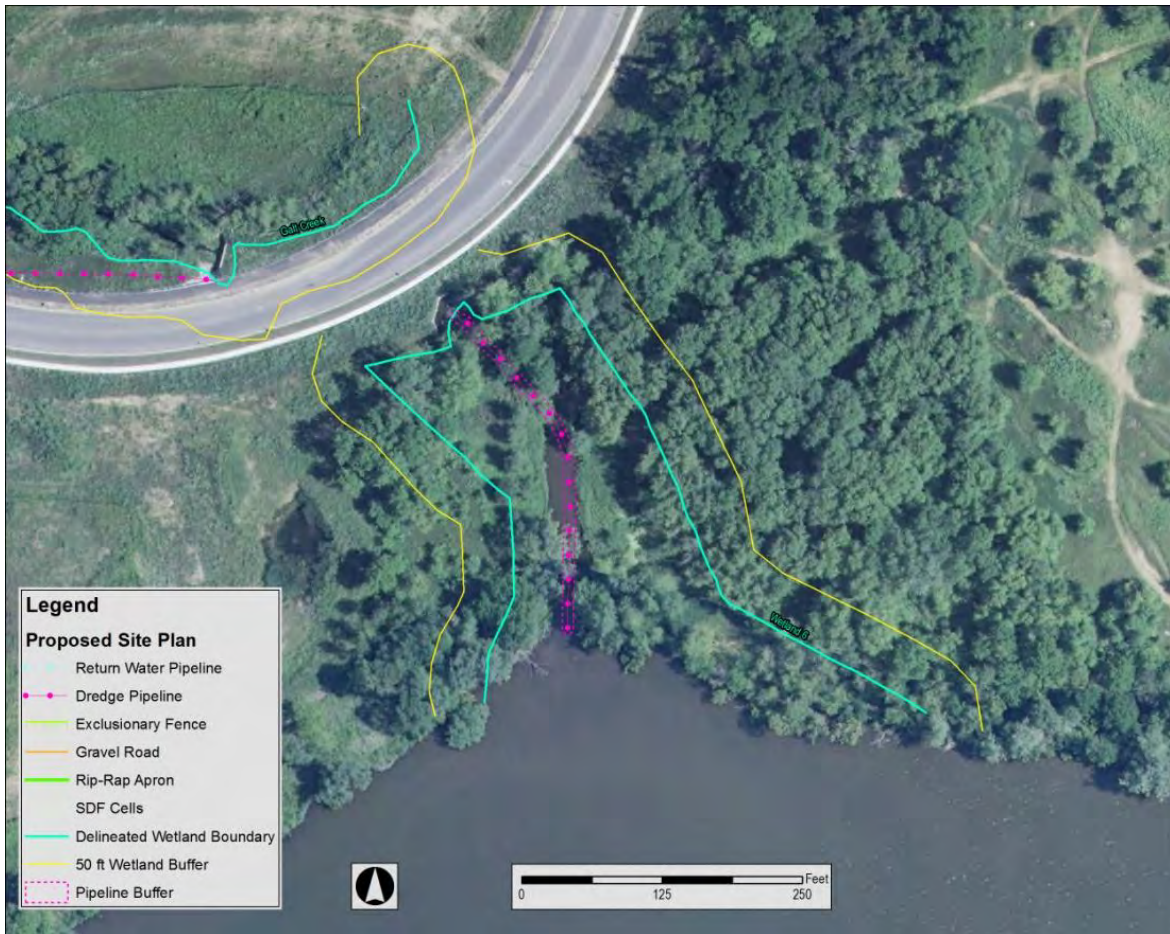
MPOA Response: Impacts to wetlands and Waters of the U.S. were calculated for the proposed project using the delineated wetland boundaries presented in the Wetlands Delineation Report (Appendix A). Site development features and wetland boundaries were overlain and impacts were calculated using ARC GIS. Approximately 0.087 acres of jurisdictional wetland/waters of the U.S. will be impacted during the construction and operation of the proposed project. Wetlands were avoided to the greatest extent possible; however some fill will be required within Galt Creek and its associated wetlands to provide energy dissipation and grade control (Figure 1). An armored energy dissipation apron will be placed at the outlet of the return water pipeline from the final clarifying pond and will extend approximately 15' across Galt Creek channel and up the opposite 3' high bank. This articulated concrete block or gabion mattress apron will measure approximately 20 ft by 25 ft and will act to prevent stream bed and bank erosion resulting from the return water pipeline discharge. Although this apron will be temporarily required for the proposed dredging project, it will remain in place after the dredging and function to provide stream habitat. The 500 square feet armored energy dissipation apron will account for 0.012 acres of impact.

Figure 1: Location of Energy Dissipation Apron



Additionally a small portion of the dredge pipeline to the SDF must be temporarily placed within the boundaries of Wetland 6 associated with the Galt Creek corridor (see attached Wetland Delineation Report). Delineated wetland boundaries indicate 316 linear feet of stream channel will be temporarily impacted by deployment of the pipeline (Figure 2). Impacts associated with the pipeline have been calculated as a 10 ft. wide corridor surrounding the 316 linear feet of pipeline that will temporarily reside within the wetlands for the duration of the dredging project. Impacts will result in 0.075 acres of temporary impact. After the pipeline traverses under West Wonder Lake Road through the twin 5' by 9' concrete culverts, it has been strategically routed over land and outside of the wetland boundaries to avoid and minimize disturbance and impacts to the stream channel and adjacent wetland resources.

Figure 2: Location of Pipeline



2. Construction drawings (reduced-sized) showing all aspects of the proposed activity, including existing and proposed contours, utilities, the location of wetlands/waters of the United States to be impacted and not impacted, the Ordinary High Water Mark (OHWM) and/or the Normal Water Level (NWL) of all waters, and the observed outermost boundary of all wetlands. In addition, the drawings shall include detailed plan and profile views of all structures to be installed in jurisdictional areas. If applicable, the drawings shall also depict buffer areas, out lots, best management practices, deed restriction areas, and restoration areas. Include the most recent cover page for the construction drawings. Include the most recent cover page and index page(s) for the construction drawings disclosing current revision dates on all sheets;

***MPOA Response:** Draft Construction drawings have been created and are attached to this document. Final construction drawings will be provided as required at a later date once complete.*

3. Soil erosion and sediment control plan;

***MPOA Response:** A detailed SESC Plan is currently being drafted and will be submitted to the USACE upon completion of the Final design according to McHenry County SWCD requirements. The SESC will include appropriate BMPs designed to protect adjacent and onsite resources from erosion and sediment impacts associated with storm water runoff.*

4. The project shall employ Best Management Practices (BMP's) to protect water quality and minimize impacts of storm water on aquatic resources. You shall submit a written narrative which describes how the BMP hierarchy was used in determining the water quality protection practices selected for the project site. BMP(s) may also be located;

***MPOA Response:** Under the U.S. Army Corp of Engineers Chicago District's Regional Permit Program, most ground disturbing developments require the use of Best Management Practices to protect water quality and minimize the impacts of stormwater on aquatic resources. A draft narrative of how the BMP hierarchy was used in determining the water quality practices and protection strategies that were selected for the project site is included in Table 1 below.*

Table 1: BMP Hierarchy

| BMP Category | Implementation on Site |
|---|--|
| 1. Preservation of Natural Features | Approximately 5.73 acres of the emergent/scrub shrub wetlands and its associated upland buffer zone (50 ft) will be preserved and avoided. Additionally, approximately 17 acres of woodland will also be undisturbed and protected during construction. Preservation of these natural features will promote infiltration of precipitation and maintain natural percolation to the groundwater. |
| 2. Preservation of Natural Infiltration and Storage Characteristics | Natural Infiltration will be maintained on-site, as no impervious surfaces are planned. All areas of disturbed soil will be converted to natural vegetation or landscape grasses. Maintenance of the pervious surface and vegetated cover within the proposed SDF site will minimize runoff and maximize infiltration/deep percolation to the groundwater. According to the FEMA maps, 100-year floodplains are present on the project site, however, the minor filling that will occur within the floodplain is minimal and will not result in reduction of storage. Hydrologic analysis of Galt Creek indicates that the storage volume of the 100 year storm event under both the existing and proposed condition will be contained and thus is unaffected by the proposed fill activity. |

| | |
|---|---|
| 3. Minimization of Impervious Surfaces | As described above no impervious surfaces are proposed for the development of the SDF. During construction of the SDF land will only be disturbed where necessary. |
| 4. Structural Measures Providing Water Quality & Quantity Control | Silt fences will be appropriately sited as no other structural measures will be utilized to control the quality and quantity of storm water. |
| 5. Structural Measures that Provide Water Quantity Control & Conveyance | A stop log based water control structure will be constructed within the SDF to control and regulate the discharge of dredging return water into Galt Creek. In addition, an armored energy dissipation apron will be placed at the discharge pipe to reduce velocity and prevent erosion. |

5. A discussion of the measures taken to avoid and minimize impacts to aquatic resources on the project site;

MPOA Response: Numerous measures have been taken to avoid and minimize the impacts on aquatic resources. Potential impacts to aquatic resources were considered as part of the alternative SDF site analysis, and were an important consideration in selecting the preferred SDF alternative site. In addition, the design of the SDF footprint was conducted in a manner that avoids placement of SDF dikes and structures within any of the delineated wetlands or their associated upland buffers. Return water will be allowed to flow back to Wonder Lake naturally via the existing Galt Creek channel and will not require the deployment of a temporary pipe within the channel limits. Actual disturbance will be limited to approximately 500 square feet for an armored energy dissipation apron to be located at the outlet of the return water pipe into Galt Creek. The impact resulting from deployment of the dredge pipeline through the West Wonder Lake Road culvert will be minimized by securely locating the pipeline within existing open channel and carefully removing when dredging is completed.

In-lake dredging limits or “no cut” zones typically ranging from 10’ to 20’ from the shoreline have been established for all dredging areas. In addition, undeveloped areas and side inlets along the southwest side of South Bay range between 100 to 200 feet from the existing shoreline to avoid and minimize disturbance in these littoral wetland environments.

6. A compensatory mitigation plan for impacts to waters of the United States;

MPOA Response: The MPOA expects minimal impacts to occur as the result of this project. Impacts to aquatic resources have been calculated and account for approximately 0.087 acres of jurisdictional impacts. Based on a replacement ration of 1.5:1, approximately 0.131 acres of mitigation credit would be needed. Based on a replacement ration of 3:1, approximately 0.261 acres would be needed. According to the USACE RIBITS (Regulatory In lieu fee and Bank Information Tracking System) data base, numerous mitigation bank sites with approved available credits exist within a Service Area that covers the Wonder Lake Area.

Compensatory mitigation alternatives have been considered based on the required mitigation. Onsite mitigation may be feasible, and could occur within the Galt Creek corridor in the form of invasive species (i.e. Buckthorn) removal. To eliminate the lag time, the MPOA may also purchase wetland mitigation credits for the impacts from the proposed minimal fill activities Once a replacement ratio has been determined by the USACE the MPOA will either secure the require credits from an approved wetland mitigation bank or will prepare a formal mitigation plan according to the mitigation guidelines

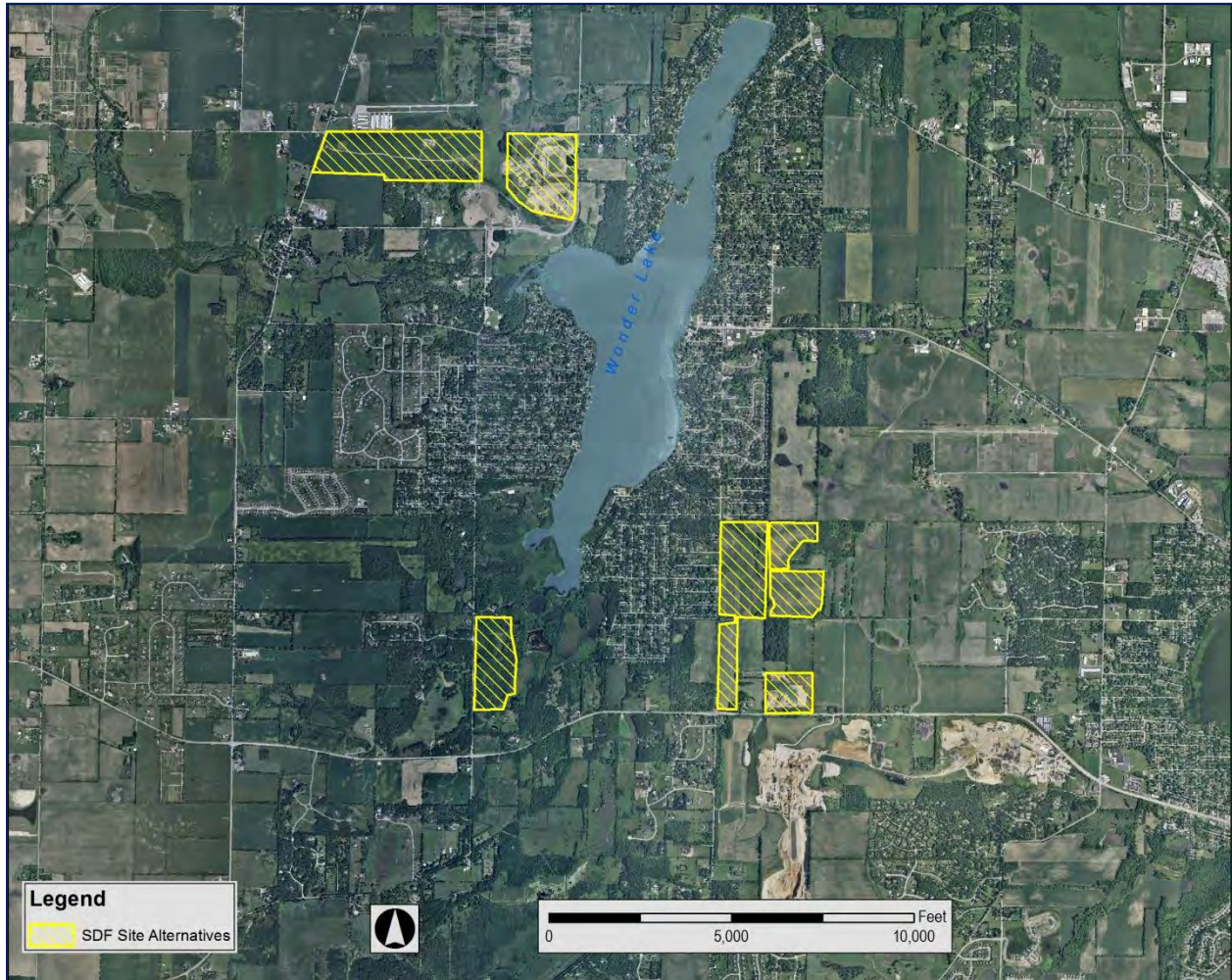
published in the Federal Register. However, the MPOA feels that mitigation may not be required since the permanent and temporary impacts equal less than 0.10 acres.

7. A complete alternatives analysis in light of the revised SDF location. This will clearly describe the alternatives that were considered and how each alternative meets the project goals. Provide all factors that were used for consideration of alternatives including impacts to waters of the U.S. and cost;

MPOA Response: *Siting an SDF is a challenging task given the size of the parcel needed, the duration the parcel will be occupied and located within the same HUC 12 watershed in close proximity to the body of water being dredged. For the Wonder Lake Restoration Project, the MPOA has explored numerous SDF alternative site locations (Figure 3); however, most of these locations are not feasible due to cost, habitat impacts, lack of long term availability, landowner lease requirements, and restrictions on drainage easements or public opposition. Of the eight alternative SDF site locations considered as viable alternative sites after an initial screening, only three alternatives were evaluated in greater detail. The other 6 alternative sites were deemed unsuitable after an evaluation of the engineering, cost and environmental criteria. Many of the potential sediment storage sites considered were located to the east-southeast of Wonder Lake within the proposed Thatcher Meadows development on property owned by NRB Land. Other parcels considered included the Bull Valley parcel, Meadows of West Bay, and Greenwood Road site. Two potential parcels located within the Thatcher Meadows site, located along East Wonder Lake Road, were seriously considered and preliminary engineering analysis and design was conducted. After numerous attempts to negotiate the planned usage of the site, the MPOA needed to explore additional alternative sites as the cost for using the East Wonder Lake Road site became prohibitive due to its size, and the requirement to remove all of the dredged sediment from the site. Removal of the dredged sediment would result in not meeting the project goals. During early 2011 the MPOA began a search for additional available parcels. One alternative site not available at the onset of the SDF site search was the Greenwood Road parcel. This parcel was slated to be developed as part of the Meadows of West Bay Development; however, the property owners could not viably finish the development and were forced to liquidate the parcel. Once this parcel became available for purchase, the MPOA viewed this parcel as the best alternative site to build an SDF that would 1.) Meet the project goals; 2.) Avoid and minimize impacts to wetlands and waters of the U.S.; 3.) Allow for completing the dredging project in one season; 4.) Allow the MPOA to leave dredged sediment in place; and 5.) Allow the MPOA to have the ability to conduct long-term maintenance dredging on an as needed basis without significant obstacles.*

After careful analysis of the site evaluation criteria for alternative SDF site locations, the Greenwood Road alternative site location was chosen as the preferred alternative due to the immediate long term availability, minimal impacts to natural habitat, location relative to the lake, ability of hold the required sediment to complete the priority dredging, ease of operation, and ability to leave the dredged sediment in place after dredging has been completed.

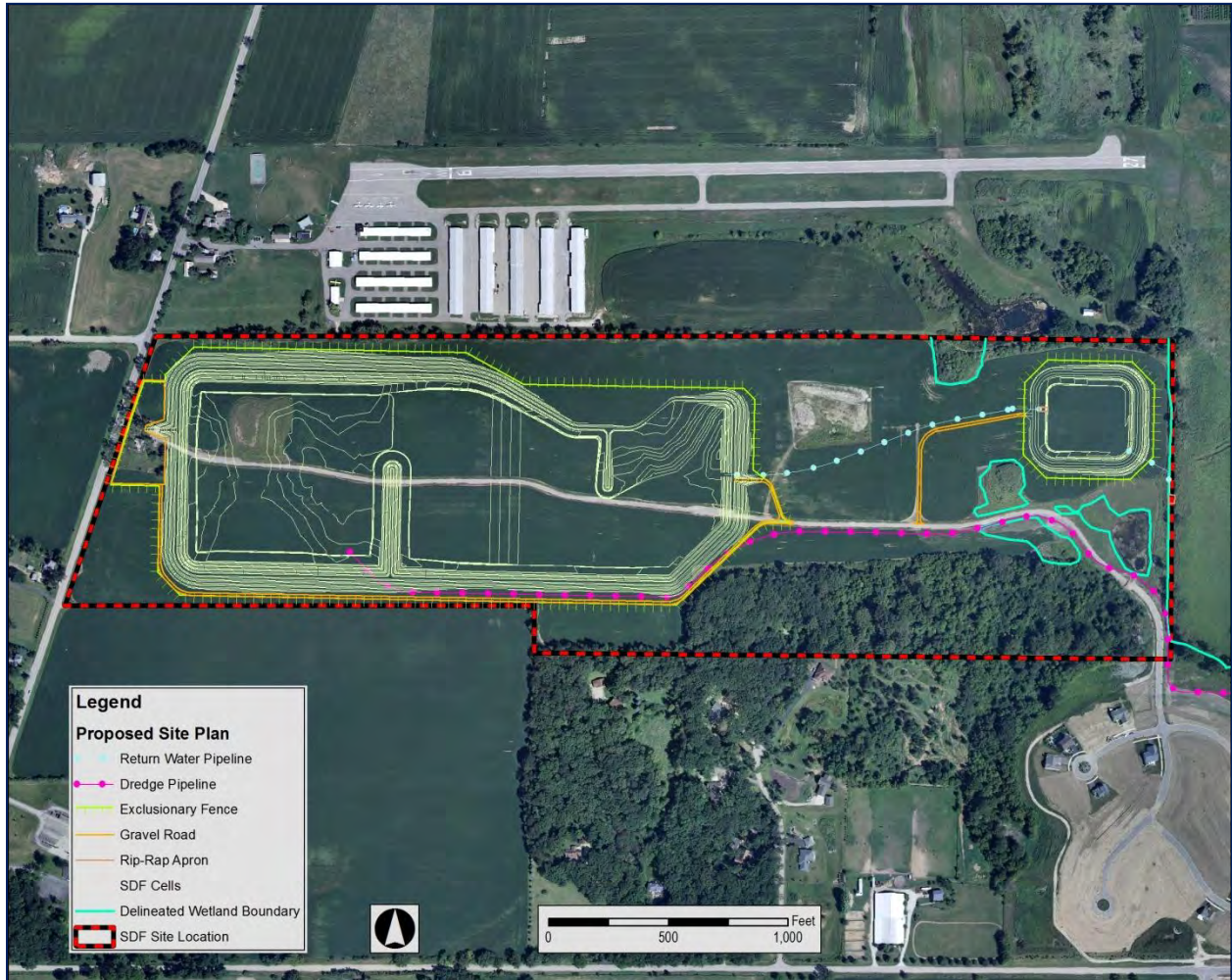
Figure 3: SDF Site Alternatives



8. A revised project discussion to include the revised pipeline route and SDF site;

MPOA Response: Sediment removal for this project will require the construction of a large temporary sediment storage and dewatering facility (SDF) to be located on Greenwood Road northwest of the lake. A preliminary design for the SDF is shown in Figure 4 below. The SDF will be constructed to accommodate all of the sediment to be hydraulically dredged from the priority dredging areas. Preliminary design calculations for the SDF indicate the primary cell will be capable of storing and dewatering approximately 532,330 cubic yards of dredged sediment, not including a bulking factor.

Figure 4: Preliminary SDF design



Sediment will be hydraulically dredged and pumped into the primary sediment dewatering facility (SDF) cell to be constructed on a 120 acre upland parcel located approximately 4,000 feet to the northwest corner of West Bay as shown in Figure 4. The 45 acre impoundment design will include an average perimeter dike height of approximately 10 to 12 feet and will be capable of storing and dewatering all of the 532,330 cubic yards of sediment targeted for Priority Dredging as described above. A secondary clarifying cell will receive discharge from the primary cell and act as a finishing cell prior to release of compliant discharge to Galt Creek. Discharge from the clarifying cell will outlet directly into Galt Creek at approximately 11-13 cfs and flow through this channelized stream, back into West Bay of Wonder Lake.

In addition to providing sufficient storage for all of the priority area dredged sediment, the West Bay site will allow for the sediment to remain on site after project completion for site grading and restoration purposes. A portion of the site may be utilized for future maintenance dredging when needed. The footprint of the earthen impoundment will not impact any jurisdictional wetlands or buffers.

9. Results from the hydraulic calculations for Galt Creek that identify adequate capacity for conveying return flow from the SDF;

MPOA Response: *Based on past and current hydrologic analyses of the water conveyance capabilities of Galt Creek and the newly installed culverts at West Wonder Lake Road , it is clear that the existing channel has more than adequate capacity to carry the anticipated return water flows from the SDF to Wonder Lake. The proposed discharge from the SDF clarifying cell will result in an 11-13 CFS discharge into Galt Creek while the active dredging work is completed. Base flows for the channel have been calculated as 10 CFS based on the Phase I Engineering Drainage Submittal prepared for the Meadows of West Bay development. Recent hydrological modeling results indicate the trapezoidal Galt Creek channel is capable of handling approximately 255 CFS when at bank full stage. Additionally the twin 9 x 5 box culverts located downstream have been designed to accommodate the 100 year storm event flow. During operation of the SDF and as required by the Illinois DNR Dam Safety Permit and associated Operation and Maintenance Plan, weather conditions will be monitored in a manner that anticipates any large scale precipitation event. In the event of a pending significant storm event, the water surface elevation will be lowered in advance of the storm and dredging activities will stop until the storm has passed. This action will allow for complete capture of the anticipated event so that water can be discharged after the storm flows within Galt Creek have subsided to near base flow levels.*

10. The adaptive management plan for potential adverse affects to Galt Creek;

MPOA Response: *Adaptive management and contingency plans provides a list of documented alternative actions that may be employed in an event of unanticipated effects and interactions. Alternative actions can be structural, cultural or a combination of both.*

Galt Creek is a small intermittent tributary that outlets directly into Wonder Lake. Galt Creek has been targeted to receive and carry the clarified return water back to Wonder Lake. Hydrological analysis conducted on this stream indicates it has adequate capacity to the carry return water flow and will not scour or erode the stream bed or banks. Multiple measures have been incorporated into the project design to create a self-maintaining stable channel that after the initial deployment of the armored energy dissipation apron will require little if any maintenance. However, if the geomorphic stability of Galt Creek is compromised due to discharges associated with the proposed project, contingency measures may be warranted. Problems that might trigger the need for adaptive or remedial measures may include excessive sediment deposition, unnatural erosion, head-cutting, topographic changes, or differences between actual flow capacity and hydraulic modeling predictions. Additional areas of concern include full spanning logjams that may inhibit flow and fish passage, or may pose a threat to lateral channel stability.

A thorough alternative assessment should be undertaken if in the unlikely event that geomorphic stability is compromised and corrective actions are necessary, such as removal of sediment, woody debris or bank stabilization. Impacts are not anticipated; however, other measures can be implemented if hydraulic conveyance does not perform as anticipated include armoring or revegetating areas where erosion has resulted in impacts to the stream channel. Additional contingency measures may include reducing the volume of clarified effluent that enters into the stream. Additionally, if there may be a need to enhance the energy dissipation apron if storm events move or cover the apron. Resource agencies would be consulted and required permits/approvals obtained prior to implementation of any of proposed corrective measures. Routine inspections will be conducted by the MPOA and contractor to analyze if potential modifications may be required.

Potential contingency actions may be necessary to remedy unforeseen problems or correct site deficiencies that arise during operation of the SDF. Failure of the armored apron, or unnatural bank erosion may result in some or all of the following contingency actions:

- 1. Placement of additional armoring to maintain the energy dissipation apron area or areas of bank failure*
- 2. Reestablish native vegetation on stream banks eroded from unnatural flows as the result of return water*

It is anticipated that the project will have no effect on the current erosional forces along the stream channel and may provide some improvements to long term habitat. Site observations along the Galt Creek stream channel indicate the soils are relatively cohesive and are able to hold slopes. They also erode slowly, which may partially explain the long-term stability. However, erosion must be taken seriously as a future project maintenance issue.

The process for addressing erosion problems will be highly proactive under the adaptive management plan. First, the monitoring program will reveal potential problems early so that low-tech non-structural methods will be employed to reduce or eliminate erosion. If the problem(s) become severe enough to warrant structural treatment, then an alternative design process will be initiated.

The alternative design process will include identification of a range of treatment options emphasizing bioengineered methods to recreate habitat development. The proposed alternatives would be made available to resource agencies for consideration and selection of a preferred plan. The emphasis will be to combat erosion problems as early as possible with vegetative techniques to minimize any need for the cost and potential effects of structural bank protection.

11. An agreement from the conservation easement holders agreeing to the use of the protected property for the completion of this project;

MPOA Response: *MPOA is currently coordinating and negotiating agreements for the conservation easements. Agreements will be forwarded to the USACE once granted.*

12. Results from the archeological survey for the SDF facilities;

MPOA Response: *In 2003 and 2004 an archeological survey was conducted for the parcel currently proposed for the SDF by the Public Service Archaeology Program of the University of Illinois at Urbana-Champaign (IHPA Log #0100051903 and #011051903). Director, Kevin McGowan indicated an Archeological Short Survey Report (ASSR) had previously been prepared and submitted to IHPA for evaluation in accordance with Section 106 of the National Historic Preservation Act of 1966 (36 CFR Part 800.4). A letter requesting signoff from the Illinois Historic Preservation Agency (IHPA) was sent on November 1, 2011 requesting confirmation that the previous ASSR and related sign-off is acceptable. The IHPA signoff letter was received on November 7, 2011 and a copy is attached.*

13. A discussion of the potential for increased noise resulting from dredging operation;

MPOA Response: *Short-term temporary impacts to noise in the vicinity of the dredging and dewatering facility may occur. Noise impacts related to the proposed sediment removal project would primarily be associated with construction of the SDF and during dredging and operation of the SDF. Noise levels generated by dredging operation will vary according to the size and type of the equipment used, and*

more importantly, the size and type of its engine. Generally, hydraulic dredges generate noise at around 60 to 80 decibels (dB) at about 50 feet. Sediment dewatering will be less noisy, operating at around 50 to 60 dB.

The adverse impact of the noise generated by the project will be dependent upon the time of day (people are more sensitive to noise at night) and the distance from the source. Noise levels from a point source decrease in inverse proportion to the square of the distance from the sound source (e.g., at distances greater than 50 feet from the source, every doubling of the distance decreases the noise by approximately 6 dB. Therefore, a sound level of 70 dB at 50 feet would decrease to 64 dB at 100 feet and 58 dB at 200 feet. At a distance of 1,000 feet, noise levels would be about 26 dB less than near the source. There are also numerous environmental factors that determine the level of sound "heard", including the surrounding terrain, ambient sound level, wind direction, temperature gradient, relative humidity, and time of day. Controlling the hours of operation (e.g. limiting noise generating operations to daytime) and the use of appropriate equipment mufflers will be utilized to avoid or reduce adverse noise effects from the dredging operation.

The Village of Wonder Lake does have noise ordinance that addresses noise from construction projects; however noise emissions are exempt from construction activities from 7:00 A.M to 7:00 P.M. Construction of the SDF would likely occur during these hours. Operation of the dredge will be allowed at any time during daylight hours (typically 7:00 A.M to 7:00 P.M.) provided that all safety requirements are met and that the noise emission standards specified are met. All dredging equipment will utilize appropriate mufflers to suppress noise. Noise caused by dredging, pumping and the operation of the SDF will be minimal and should not affect property owners.

14. A discussion of any adverse affects on the use of the lake during dredging operations, including fishing, boating, or other uses;

MPOA Response: As dredging commences the MPOA anticipates that dredging operations will have minor short-term impacts to use of the small portions of the lake. Most, if not all, of the pipeline deployed from the dredge to the SDF will be floating, anchored and well marked with appropriate warning lights. Specific portions will be submerged and anchored on the bottom of the lake to allow boating access to mooring facilities and docks where needed.. Areas where the dredge is actively working will be temporary inaccessible. Additionally, the works areas around the dredge will be considered no-wake. Since many of the areas where the dredge will be working are extremely shallow and offer little recreational access, disruption will be even less in these areas. Advance notification will be provided to residents regarding dredging schedules and active working locations in order to minimize any temporary impacts.

15. A Section 7 species list for the project area using the on-line application at the U.S. Fish & Wildlife Service website. The application will indicate whether resources (species and habitats) listed or designated under the Endangered Species Act of 1973, as amended (Act), may be present within areas affected (directly or indirectly) by the proposed project. You can access "U.S. Fish and Wildlife Service Endangered Species Program of the Upper Midwest" website at <http://www.fws.gov/midwest/Endangered>. Click on the Section 7 Technical Assistance and follow the instructions to completion. Print all documentation and forward the information to this office for review. Either a "no effect" determination will be made or a biological assessment/biological evaluation will need to be completed to determine if the proposed action is likely or not likely to adversely affect them. If the latter, the Corps will request initiation of Section 7 consultation with the U.S. Fish and Wildlife Service. Responses to the above-requested items shall also be submitted to the Illinois Environmental Protection Agency so that they may continue reviewing your project for Water Quality Certification.

MPOA Response: The Endangered Species Act of 1973 (ESA) mandates all Federal departments and agencies to conserve listed species and to utilize their authorities in furtherance of the purposes of the ESA. As part of the USACE Section 404 permitting process there is need to determine whether the proposed actions of a particular development may affect any listed species or their critical habitat. If no species or their critical habitat is affected, no further consultation is required (See Figure 5 below).

The Wonder Lake MPOA has conducted an effect determination for federally listed endangered and threatened species and their critical habitats in conjunction with a Section 404 permit application for the Wonder Lake Restoration Project. Specific information about the project components are provided in the Joint Permit Application previously submitted to the USACE, Chicago District, but a general description is provided below. The Wonder Lake MPOA proposes to remove sediment from various impacted areas of Wonder Lake. The sediment will be hydraulically dredged and pumped via pipeline into a sediment dewatering facility (SDF) to be constructed adjacent to Greenwood Road. The clear effluent water will be returned to the lake via pipeline by gravity flow via Galt Creek. Upon completion of dredging, the SDF will be dewatered to be reclaimed and/or beneficially used. We have carefully reviewed The USFWS Section 7 Consultation website for a list of species and critical habitat within McHenry County (Table 2). Currently, two federally listed endangered, threatened, or candidate species occur, or have historically occurred within the County. <http://www.fws.gov/midwest/endangered/lists/illinois-cty.html>.

Figure 5: Section 7 ESA Flow Chart

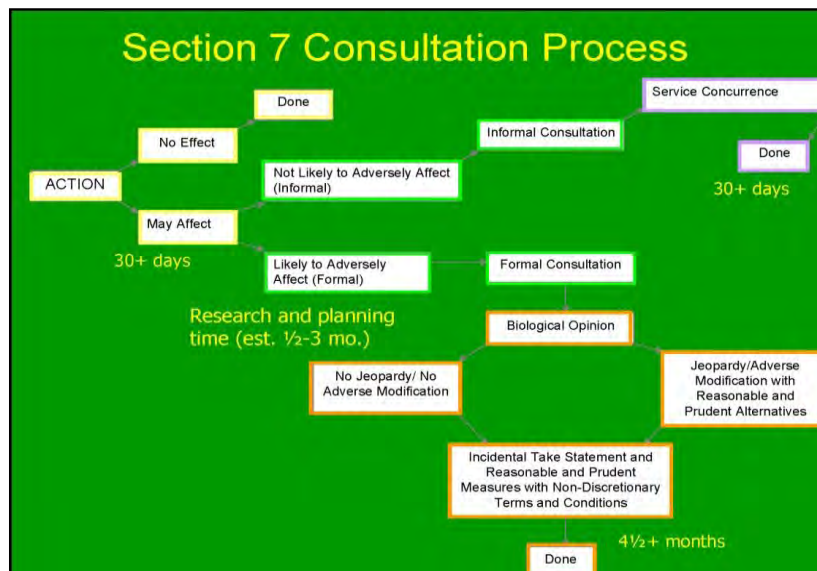


Table 2: Federal Threatened & Endangered Species in McHenry Co.

| <i>Plants</i> | <i>Status</i> | <i>Habitat</i> |
|---------------------------------------|---------------|--|
| Eastern prairie fringed orchid (EPFO) | Threatened | Moderate to high quality wetlands, sedge meadow, marsh, and mesic to wet prairie |
| Prairie bush clover (PBC) | Threatened | Dry to mesic prairies with gravelly soil |

The action area for the proposed project can be defined as the priority dredging areas within Wonder Lake, the upland SDF site along Greenwood Road, the dredge pipeline corridor adjacent to Galt Creek, and Galt Creek. The in-lake selective dredging will remove soft accumulated sediments from numerous areas within the lake through the use of a suitably sized hydraulic dredge. The dredge will pump the sediment through a 12" to 14" diameter HDPE pipeline routed to an upland sediment storage and dewatering facility (SDF). The SDF has been sited within an actively farmed agricultural field within close proximity to Wonder Lake. The field currently maintains some wetland and forested habitat; however, the current SDF site design avoids all jurisdictional wetland impacts including the upland buffer zones. A wetland delineation of the project area indicates the delineated wetlands are of low quality and thus would not support EPFO. Additionally no dry or mesic prairie was observed within the actively farmed parcel, indicating PBC is also absent. In summary none of the areas proposed to be disturbed match the preferred habitats of any of the listed species. Based on this reasoning, the MPOA feels this project will not affect any of the listed species in Table 1. Based on the findings of this No Effect Determination, No Further coordination is required with U.S. Fish and Wildlife Service's Chicago Illinois Field Office.

MASTER PROPERTY OWNERS ASSOCIATION, INC.
7602 Hancock Drive
Wonder Lake, Illinois 60097
815-653-4136

November 7th, 2011

Mr. Soren Hall
U.S. Army Corps of Engineers – Regulatory Functions Branch
111 N. Canal Street, 6th Floor
Chicago, IL 60606-7206

Re: MPOA Response to Comments Received under the Public Notice for
LRC-2010-00396 – Wonder Lake Dredging Project

Dear Mr. Hall,

As detailed in the October 11th, 2011 letter issued by your agency (attached), the Wonder Lake Master Property Owners Association has reviewed the public comments received during the public notice period for the above referenced permit application, and has compiled our responses.

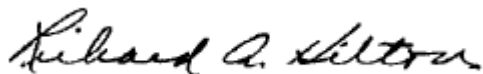
A review of these comments suggests that many are based on a misunderstanding of the overall project or the SSA creation process, or a lack of awareness of the extensive amount of site evaluation, engineering design, and scientific analysis that has already been done to get this project to the permitting stage. This is likely not unusual for a project of this size.

However, we did not see any comment or issue that would be the basis for your agency, or any other permitting agency, to deny issuing the regulatory permits to allow this critically needed project to continue moving forward.

We hope that the facts presented in our responses will be sufficient to address the concerns of those who took the time to submit written comments. We will also continue with our on-going outreach efforts to make sure that all realistic concerns regarding the project are considered early in the process, so that appropriate modifications to the project can be incorporated as warranted.

Please review the attached materials, and do not hesitate to contact me if you have any questions.

Sincerely yours,



Richard Hilton
President

Cc: MPOA Officers & Directors
MPOA Subdivision Presidents
Village of Wonder Lake
McHenry County Board



REPLY TO
ATTENTION OF:

DEPARTMENT OF THE ARMY
CHICAGO DISTRICT, CORPS OF ENGINEERS
111 NORTH CANAL STREET
CHICAGO, ILLINOIS 60606-7206

October 11, 2011

Technical Services Division
Regulatory Branch
LRC-2010-00396

SUBJECT: Public Notice Comments for the Proposed Wonder Lake Dredging Project, Wonder Lake, McHenry County, Illinois

Richard Hilton
Master Property Owners Association, INC.
7602 Hancock Drive
Wonder Lake, Illinois 60097

Dear Mr. Hilton:

Enclosed are copies of the comment letters the U.S. Army Corps of Engineers received in response to the public notice issued for the above-referenced project. Various concerns were raised in the comment letters that must be addressed before a decision can be reached by this office on your application. The concerns include:

1. Address the potential for odors from the disposal site. If odors are possible, how would this affect the living conditions near the site and how might this affect property values.
2. Provide additional information on the potential for damage to area roads from traffic associated with operations of the SDF, if applicable.
3. Address concerns regarding bacteria, chemicals, and other contaminants in the sediment and the resultant effects on air and water quality. The proposed sediment disposal facility is located north of a school, which was listed as a concern related with particles becoming dispersed by wind after drying.
4. Address any impacts to wetlands and mitigation areas that were covered under the Army Corps permit for the Meadows of West Bay Subdivision. The Land Conservancy would like any mitigation from impacts to these areas to fund the restoration project at Wonder Lake Sedge Meadow.

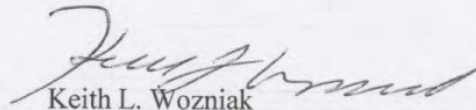
In accordance with Title 33 of the Code of Federal Regulations Part 325.2(a)(3), this office requests that you review the letters and furnish your views on the issues raised to assist us in determining whether the project is in the public interest. Please see enclosures for a copy of each comment letter. Please note that letters of support were not included. You may contact persons objecting to your proposal in an attempt to resolve their concerns. You must however submit a written response to the letters to this office within 30 days of the date of this letter.

Your response should attempt to resolve or rebut each of the concerns raised. If you require more time to provide a response, please contact this office as soon as possible.

Your prompt attention to this matter will enable the Corps of Engineers to proceed with the evaluation of your application in a timely manner. If you do not provide your response within 30 days of the date of this letter and you have not been granted additional time, it will be presumed that you no longer wish to pursue the project and your application will be withdrawn without further notification.

A copy of this letter is being forwarded to each of the commenting parties to acknowledge receipt of their letter. If you have any questions, please contact Mr. Soren Hall by telephone at 312-846-5532, or email at Soren.G.Hall@usace.army.mil.

Sincerely,



Keith L. Wozniak
Chief, West Section
Regulatory Branch

Enclosures

Copy Furnished w/out Enclosures:

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CHERYL HAMMERAND Comment & Response

Comment # 1 – CHERYL HAMMERAND, WONDER LAKE, IL - Contaminants

In 1984 and in August 2006 two different studies of the silt in the West Bay area to be dredged, using US EPA standards, significant contaminants have been found. According to IL EPA opinion, this material is chemically entrained in the silt – but if dredged and exposed to the oxygen in the air, would then be a hazard to the environment in which it is stored.

MPOA Response # 1 – CHERYL HAMMERAND, WONDER LAKE, IL – Contaminants

It is uncertain as to why some local residents and certain elected community leaders would try to paint their own community and namesake lake in a negative light, or attempt to drive the costs of a critically needed, landowner funded, project any higher. Unfortunately, this comment is representative of a small contingent of the Wonder Lake Community who are opposed to any restoration of Wonder Lake, and who continue to raise unfounded fears of polluted lakebed sediment, without having any facts, peer reviewed data, substantiated opinions, or reports to back up their statements.

Whenever these allegations have been raised in the past, the MPOA has encouraged those parties to provide them with a copy of their information so that it could be reviewed, but no such information has ever been provided to the MPOA. All that can be (and has been) done is for the MPOA to once again refute these false allegations, and to present factual information to support their position.

The following is a summation of information formerly presented to the Wonder Lake community at numerous monthly MPOA Director's meetings; Open Houses held by the MPOA; the MPOA website; the Northwest Herald newspaper; and personal communications with those who contacted the MPOA directly expressing concerns about sediment quality.

Sediment Quality Testing

As referenced in the comment, three (3) sediment samples were collected in the West Bay in 1984, as part of a Depth and Sediment Study commissioned by the MPOA. In that study, sediment samples were analyzed for Copper, Lead, Zinc, Cadmium, and Iron. The 1984 report identified that:

The heavy metals from the west bay sediments fall fairly close to the mean values for 63 Illinois lakes. Copper and cadmium are elevated slightly above the mean values.

Whether the quality of the sediment meets the requirement as fill materials, will ultimately have to be determined by the Illinois Environmental Protection Agency, however this background information will be helpful in making that determination.

It should also be noted that the IEPA study that determined the mean value data for the 63 lakes (referenced in the 1984 study) indicated that:

The ranges of concentrations and resultant groupings for each constituent are based upon statistical comparisons of 273 individual sediment samples collected from 63 Illinois Lakes in the summer of 1979.

These classifications are meant only for relative comparison of lake sediment nutrients, metals, and organics; they do not reflect safe or unsafe levels.

As part of the 16+ year effort to restore Wonder Lake, the MPOA has retained a nationally recognized engineering firm, HDR, Inc. to serve as the MPOA lake restoration consultant. Their experience involves numerous dredging and water resource related projects across the United States, in which they performed feasibility analysis, design, regulatory permitting, and oversight duties.

At the direction of the MPOA, in 2001, and again in 2006, HDR collected sediment samples from Wonder Lake, and had the samples analyzed by a state approved laboratory. A full suite of tests was conducted, looking for the chemical constituents most frequently encountered in Illinois lakes, or that could pose regulatory issues. Among others, these constituents included chromium, mercury, nickel, and silver. **The results of that sediment testing confirmed that there were no elevated concentrations of regulated contaminants present, and that placement of dredged sediment should not be restricted during the regulatory permitting process.** The results of that testing were presented in *An Updated Feasibility Study and Restoration Plan for Wonder Lake*, produced by HDR in January 2007.

To help place the Wonder Lake results in context with results encountered on other Illinois lakes, HDR also compared the Wonder Lake sediment analysis results to a sediment classification protocol produced in a 1996 Illinois Environmental Protection Agency (IEPA) report entitled: *Sediment Classifications for Inland Illinois Lakes*. In this IEPA study, the pollutant levels encountered in 1,876 sediment samples taken from 307 lakes across the State of Illinois from 1977 to 1994 were reviewed and compared.

Based upon these findings, and the frequency and occurrence of pollutants being encountered, the IEPA established a comparative value system to classify pollutant levels as encountered in any given sediment sample, as being “low”, “normal”, “elevated”, or “highly elevated”. **These IEPA “levels” are comparative values, and have no regulatory status whatsoever**, as indicated in the following excerpt from the IEPA report:

Simply stated, just because a sediment sample may be classified as “highly elevated” does not mean that it is at a level that would signify a need for concern, exceed a regulatory standard, or pose a risk. The intent of this IEPA classification is simply to identify when additional sediment analysis should be performed, because, relatively speaking, the pollutant levels are higher than the norm.

To further ensure that no “elevated” or “highly elevated” levels for heavy metals exist, additional testing, such as the Toxicity Characteristic Leaching Test (TCLP), should be performed. This is the IEPA mandated test to determine compliance with an actual regulatory standard. This is why for the 2006 Wonder Lake sediment samples, TCLP testing was performed for chromium and mercury, which resulted in chromium and mercury levels **an order of magnitude or more** below the actual State regulatory threshold.

Based upon these results, and their professional judgment, HDR determined that TCLP testing would not be warranted on Nickel and Silver. Given that analysis, and the lack of any substantiated past evidence or indicators of pollutant contamination of Wonder Lake or Nippersink Creek from any reputable source, HDR concluded that there are no chemical / heavy metal parameters in Wonder Lake sediment that would exceed an IEPA regulatory threshold, and that no problems in obtaining the proper water quality related regulatory permits for Wonder Lake dredging would be anticipated or expected. All of this information was summarized in a Northwest Herald article printed on March 16th, 2008.

All of the available sediment data has been made available to HDR, and to the IEPA. Under any circumstance, as part of the overall permit review process, the MPOA has committed to conducting any additional sediment sampling required by the Illinois Environmental Protection Agency for their review and consideration. The IEPA will review all aspects of the sediment issue, to ensure that there will be no adverse impacts to surface water or groundwater; that there will be no dust issues associated with the Sediment Drying Facility; and that all appropriate safeguards are incorporated into the permit they would issue to authorize the dredging operation.

HIGHLAND SHORES SUBDIVISION Comments & Responses

Comment # 2 - HIGHLAND SHORES SUBDIVISION – Support for Project

We would also like to add that we have 645 homes and over 900 lots of which a good 75% of the residents do not agree with the way the MPOA has gone about trying to get our PRIVATE LAKE dredged.

MPOA Response # 2 – HIGHLAND SHORES SUBDIVISION – Support for Project

The comments made by the Highland Shores officers that they are speaking for a 75% majority of owners in their subdivision is not supported by the signatures found on petitions that were submitted to the Village of Wonder Lake (VOWL) opposing the creation of a SSA taxing district. In Illinois, the statutory requirement to stop a governmental body from establishing a Special Service Area (SSA) taxing district is that at least 51% of all owners of property within the proposed boundary, AND at least 51% of all electors (registered voters) residing within the proposed boundary of the SSA, must sign a petition opposing its creation.

On February 17th, 2009 (60 days following the SSA public hearing), those parties opposing the creation of SSA # 9 submitted property owner and elector petitions to the VOWL. Acting on the advice of the SSA Bond Counsel, the VOWL (at MPOA expense) hired an outside auditor firm, Taussig & Associates, Inc. (TAI) to complete an analysis of the proposed SSA boundary and to certify the number of eligible property owners within the proposed SSA territory.

Following an exhaustive verification of the owners of record of all Property Identification Numbers (PIN's) located within the proposed SSA boundary, TAI determined that there were 8,589 eligible property owners. **Of these 8,589 eligible property owners, only 3,303 (38.5% of all owners) signed petitions opposing the SSA.** As such, the signatures on the submitted Property Owner Petitions did not constitute the 51% total necessary to prevent the SSA from moving forward. On that basis alone, the attempt to prevent formation of the SSA failed. **It should be noted that the property owner results were obtained by counting every opposition petition submitted, with no property owner signature verified, disqualified, or ruled invalid.**

A total of 2,272 elector signatures opposing formation of the SSA were also submitted to the VOWL on February 17th, 2009. After analysis of data provided by the McHenry County Clerk, a total of 345 signatures on the elector petitions were invalidated as they were determined to be from electors living outside of the SSA territory; were not registered voters; had multiple signatures from the same elector; or were included on petition pages that were submitted in duplicate. **As a result, an analysis of the Elector opposition petitions submitted to the Village revealed that of the 5,892 eligible electors residing within the overall proposed SSA boundary, only 1,927 electors (33% of all electors) signed petitions opposing the SSA.**

According to records obtained from the McHenry County Clerk's office, there were 1,037 electors residing in the Highland Shores Subdivision on December 17, 2008. Of the total Highland Shores electors, only 367 (35%) signed elector petitions opposing the SSA were submitted to the Village.

Even if a majority of property owners and electors within Highland Shores had signed petitions opposing the SSA, it would not have changed the outcome, as the SSA is established through tabulation of ALL property owners residing within the proposed SSA territory and ALL electors located within the proposed SSA territory. The formation of an SSA to fund lake restoration was selected specifically because Wonder Lake is a PRIVATE lake. Contrary to popular rumors, state or federal funds were never available to fund lake restoration, in large part because Wonder Lake is private, but also because those types of funds (if even available) are typically directed to lakes that serve as a public drinking water source.

As a result, an SSA is the most equitable means of distributing the cost of lake restoration among all the parties that have an ownership stake in the lake. Because of the complexity of establishing an SSA, the MPOA and Village worked extensively with legal counsel to ensure that all steps of the SSA creation and implementation process was done in full compliance with the SSA legislation.

Comment # 3 - HIGHLAND SHORES SUBDIVISION – Economic Impact

We ask you to please not grant this permit for the dredging of our PRIVATE LAKE, as many of our residents have lost their jobs and many are in the process of losing their homes.

MPOA Response # 3 – HIGHLAND SHORES SUBDIVISION – Economic Impact

For a Wonder Lake home with a market value of \$120,000 (EAV of \$ 40,000), the SSA # 9 amount levied on the McHenry County Property Tax Bill for FY 2010 is roughly \$ 100. To further keep the cost of the SSA affordable, it was determined that a 20-year payoff period would keep yearly payments reasonable. The MPOA also worked closely with McHenry County to apply for and receive ARRA stimulus bonding capacity, which reduced the amount of interest payments that would be owed on the bonds.

To even further reduce the impact of future SSA payments on those within the SSA territory facing economic hardships, the MPOA voluntarily created and provided \$ 50,000 in funding for an SSA tax rebate program to help those landowners who meet the Low Income and Very Low Income thresholds established annually by the U.S. Department of the Interior, Housing and Urban Development (HUD).

For eligible landowners in both Greenwood and McHenry Townships, the McHenry Township supervisor will administer the program, to make it easier for people to apply and to maintain privacy. Eligible Very Low Income earners receive a 60% rebate of their total SSA assessment appearing on their paid real estate tax bill, and Low Income earners receive a 40% rebate

The availability of this program was mentioned at each and every monthly MPOA Board Meeting, every MPOA President's Meeting, and the MPOA website. A postcard outlining the program was also sent to every household within the SSA territory.

For the most recent McHenry County property tax cycle (for FY 2010 payable in 2011), the period in which SSA landowners can apply for rebate assistance ends on November 15th, 2011. **As of November 1st, 2011, a total of 27 SSA landowners have taken advantage of the rebate program, and have received rebate vouchers totaling \$ 1,129.00.** Out of the 8,589 eligible property owners (as of the December 17, 2008 SSA hearing date), those taking advantage of the SSA tax rebate would represent roughly 0.3% of the SSA landowners.

SUNRISE RIDGE ESTATES SUBDIVISION Comments and Responses

Comment # 4 - SUNRISE RIDGE ESTATES – Support for Project

We represent the sentiments and views of almost all of our property owners who are forced to pay additional real estate taxes collected by McHenry County – SSA# 9 – for the purpose of partial Dredging Wonder Lake. Our subdivision has had multiple foreclosures along with hundreds of others – a SSA without benefit to the majority of property owners.

MPOA Response # 4 – SUNRISE RIDGE ESTATES – Support for Project

The allegation by the Officers of SUNRISE RIDGE ESTATES that they are speaking for a majority of owners in their subdivision is not supported by the signatures found on petitions opposing the creation of a SSA taxing district that were submitted to the Village of Wonder Lake. As explained in **MPOA Response # 2 – HIGHLAND SHORES SUBDIVISION – Support for SSA**, the overall petition process to attempt to stop the formation of the SSA failed, with only 38.5% of the property owners, and 33.0% of the electors submitting petitions opposing the SSA, well below the 51% threshold required of each group to stop the SSA.

According to records obtained from the McHenry County Clerk’s office, there were 230 electors residing in the SUNRISE RIDGE ESTATES subdivision on December 17, 2008. Of the total eligible electors in SUNRISE RIDGE ESTATES, only 77 (33.5%) signed petitions opposing the SSA.

Comment # 5 - SUNRISE RIDGE ESTATES – Upfront Buy Out

Very few of the 109 property owners are in favor of dredging and the extra taxes to be paid for a 20 year period of time – with no upfront buy out as originally specified by the M POA: especially in this very poor economy.

MPOA Response # 5 – SUNRISE RIDGE ESTATES – Upfront Buy Out

In regards to the “upfront buy out”, it is true that the MPOA, based upon preliminary discussions with the SSA bond counsel, had initially hoped to be able to offer an opportunity for SSA landowners to “buy out” the total amount they would owe for the SSA by making one “up-front” payment, in lieu of making SSA payments over a 20 year period.

From the beginning it was determined that the annual tax on each property would be based on its equalized assessed value (EAV) that appears on the annual real estate tax bill. The rate that is used to calculate the assessment on each property is determined by dividing the annual debt service to pay down the bonds into the total equalized assessed value (EAV) of all properties within the SSA territory.

Subsequent research by the SSA bond counsel determined that an upfront payment would not be legal as it would provide an unfair advantage to owners of undeveloped properties as these properties carry a much lower EAV than developed properties. As those undeveloped lots become developed, their EAV would rise but because of the planned upfront payment option, the increase in the EAV would not be included in the calculations to determine the applicable annual rate. Bonds could not be marketed with this option in place and, for this reason, the option was removed.

In summary, the “upfront buy out” option was determined by the SSA bond counsel to not be a legal / viable option and was withdrawn, and this change in circumstance was immediately conveyed to all SSA landowners. The retraction of the upfront option was explained to SSA landowners present at the December 17th, 2008 SSA Hearing; the January 10th, 2009 MPOA Open House; the January 14th, 2009 MPOA Board of Directors meeting; and in the Winter 2009 MPOA Newsletter, all of which occurred within the 60 day petition period.

Comment # 6 - SUNRISE RIDGE ESTATES - Project Benefit

Our subdivision has had multiple foreclosures along with hundreds of others – a SSA without benefit to the majority of property owners.

MPOA Response # 6 – SUNRISE RIDGE ESTATES – Project Benefit

While any property foreclosure is an unfortunate event, every property within the SSA territory is either contiguous to, or has deeded lake rights to Wonder Lake. This circumstance applies to every lot within SUNRISE RIDGE ESTATES. The value of a property with deeded lake rights will increase, or decrease, depending on the condition of the lake. The need to dredge Wonder Lake has been recognized for the last half century, but has also not been pursued.

Under the MPOA by-laws, it is the purpose of the MPOA, and its Directors: *To conduct and promote the Wonder Lake Recreation Area for the improvement of civic and social welfare and to control and maintain the lake bottom and other community property pertinent thereof, and do any and all acts necessary to further said objects.*

Lake restoration under the SSA will provide benefit to ALL property owners in terms of enhanced recreational opportunities, improved water quality, and enhanced property values associated with having lake rights on a restored lake.

Comment # 7 - SUNRISE RIDGE ESTATES – SDF Lease

A contract agreement between the MPOA and the property owner's for the SDF should have been signed and in place before property owners began paying SSA taxes (beginning this year for 2010)

MPOA Response # 7 – SUNRISE RIDGE ESTATES – SDF Lease

This comment incorrectly assumes that the owner of the SDF site would have been willing to enter into a lease agreement, without being provided with any of the environmental / engineering support necessary to identify what physical changes to the SDF site would be required; the areas of impact; or to determine if the site was even suitable for the intended use. Funds generated by the sale of the SSA Bonds provided the funding necessary for the MPOA to initiate these studies, and the SSA bond repayment schedule is based upon when the bonds were sold, and not by any interim step in the overall lake restoration project.

As has been explained at various MPOA meetings, the overall draft lease framework is currently under review by the MPOA attorney and the SDF owner attorney, in consultation with the MPOA officers, the MPOA lake restoration consultant, and the MPOA Lake Manager.

Once that draft lease framework is approved by the attorneys, the proposed lease will move through the negotiation / review process with the appropriate MPOA Commission's, who will then make their recommendations to the MPOA Directors, in advance of the MPOA Directors taking action on the proposed lease.

Comment # 8 - SUNRISE RIDGE ESTATES – Sediment Volume

Per this notice, almost 3 million cubic yards of sediment have accumulated within Wonder Lake according to a 1995 report. The dredging proposal calls for approximately 532,330 cubic yards of sediment over a 4-5 year operation. This represents only about 18% of the accumulated sediment that will cost the Wonder Lake property owners \$ 5.9 million plus interest on the bonds sold that will result in a total cost of approximately \$ 12 million. This cost will place extra burdens on already over-extended households suffering from loss of jobs and possible loss of homes.

MPOA Response # 8 – SUNRISE RIDGE ESTATES – Sediment Volume

The MPOA would have been greatly in favor of securing funding to dredge the entire volume of accumulated sediment in the lake, and in the past, pursued various options to have the dredging work completed at little or no cost to Wonder Lake landowners. However, these efforts were stymied by legal efforts undertaken by those opposed to lake restoration.

The current dredging project has been downsized to provide a balance between an economically feasible project budget, and conducting enough dredging to provide demonstrable water quality benefits. On-going efforts to delay or hinder the lake restoration permitting or actual project implementation will only divert money from dredging, meaning the SSA participant's will still end up funding the full \$ 5.9 million project, but with less and less dredging occurring as SSA funding resources have to be consumed.

As discussed in **MPOA Response # 3 – HIGHLAND SHORES SUBDIVISION – Economic Impact**, the MPOA has set up an SSA rebate program for those who might be most potentially affected by the increase in property taxes associated with the SSA.

Comment # 9 - SUNRISE RIDGE ESTATES – Dredging Locations

In reviewing the map showing the proposed dredged areas, the bulk of the dredging will occur in the West Bay and South End of Wonder lake. When the lake was formed in 1929 these 2 areas were overspill and always shallow. The West Bay was nothing but tree stumps. The south end had anywhere between a couple inches of water to less than a foot of water. The lakefront on the West end of the lake was never developed because the lake was full of tree stumps and shallow. Most property owners on the South End do not want to pay for dredging and, in fact, do not belong to the MPOA. It appears that this dredging is for the purpose of making the lake larger for the benefit of a minority of the property owners and future developers.

MPOA Response # 9 - SUNRISE RIDGE ESTATES – Dredging Locations

High resolution “EcoMapper” bathymetric mapping conducted for the MPOA by the U.S. Geological Survey in August 2010 determined that the average water depths in South Bay (The South End) range from two (2) feet at the far southern end of this proposed dredging area to over five (5) feet deep at the northern end. Similarly, the USGS study determined that the average water depths in West Bay range from less than one (1) foot deep at the Nippersink Creek inflow to roughly four (4) feet at the far eastern end of this proposed dredging area. As such, the SUNRISE RIDGE ESTATES comments on water depths are not supported by the USGS mapping.

The dredging plan is designed to conduct much of the dredging where the bulk of the sediment enters the lake at West Bay, and has provisions for the construction of an in-lake sediment trap to help capture future sediment loads in a confined area, where future, small scale maintenance dredging could be performed.

The South Bay is impacted by both sediment and peat. The sediment has resulted from shoreline erosion, a small creek that enters the lake at the very south end of the Bay, and from the degradation of a small island that used to exist in the southern portion of the South Bay. Much of the South Bay is shallow but still navigable, which makes the existing lakebed sediment much more prone to re-suspension by the propellers' of boats that still pass through the area, which in turn affects water clarity. By dredging portions of South Bay, the water depth will be increased, which in turn, reduces the potential for sediment re-suspension from both dredged sediments, as well as those sediments left in place after dredging is completed.

It is correct that the property owners in the Wonderview, Sunny Oaks and Greenhill Shores subdivisions are not members of the MPOA. These properties do have deeded lake rights and many of the property owners do use the Lake, however, they pay nothing to the MPOA for either dues or Lake Maintenance activities.

One of the advantages of an SSA is the ability to include all who will benefit by the improvement to pay their fair share. The properties in the three referenced are ALL included in the SSA territory and are assessed their fair share of the cost of the dredging project because they have deeded lake rights, like all other SSA participants. Their willingness to pay is supported by the information provided in Exhibit A. Less than 51% of the eligible electors in those three subdivisions signed petitions opposing the formation of the SSA.

Dredging Wonder Lake will not increase the size (or circumference) of our 830 acre impoundment. The dredging project will expand the amount of surface water available for recreation use by approximately 100 acres. Each year more than 1,200 registered watercraft navigate the waters of our Lake. The dredging project will remove nutrient loaded sediment from the water, will improve water quality and enhance both sport fish and wildlife habitat. The benefit to the entire community will be a deeper, cleaner lake which will help to protect property values.

The MPOA is not aware of any future developers who will benefit from lake dredging. Thatcher Meadows, a large residential development east of Wonder Lake does not have MPOA lake rights, and did not request them. Meadows of West Bay, a second residential development on the north side of West Bay already has MPOA lake rights. The only other undeveloped shoreline on Wonder Lake is at the far southwestern corner, which has extensive wetlands between the lakeshore, and any potentially developable upland areas.

Comment # 10 - SUNRISE RIDGE ESTATES – Mechanical Dredging

The Notice states that mechanical dredging may be required (hydraulic dredging is supposed to be the method of extracting the sediment) in areas where excavation will occur beneath the original lake bed. We are certain that this will apply to the West Bay and South End that was nothing but overspill in 1929 and always shallow.

MPOA Response # 10 - SUNRISE RIDGE ESTATES – Mechanical Dredging

As stated in the Notice, there is a possibility that mechanical dredging may be utilized as a means for removing sediment. Potential areas could include the Lookout Point Cove and also in creating the sediment trap at the mouth of the creek in the West Bay. The MPOA will pursue whatever is the most cost-effective solution based upon site specific conditions, and that will create the least environmental impacts.

Comment # 11 - SUNRISE RIDGE ESTATES – Contaminants

In addition to our objection which makes the circumference of the lake larger, we (along with many others) are concerned with contaminants and toxic metals that were discharged as waste by an electroplating plant called Woodstock Die Cast located in Woodstock, Ill (the factory was torn down about 20 years ago and the grounds were considered contaminated for a long time) Toxic waste from this electroplating factory was dumped into the Nippersink Creek (the water source of Wonder Lake). Much of this heavy metal waste found its way into Wonder Lake's West Bay. There was a report issued many years ago that provided documentation and graphs showing various percentages of heavy metals and contaminants within the sediment. This report concluded that dredging would pose many potential problems. Will this dredging compromise wells and drinking water since most people have their own wells for access to water? Could this dredging create a health problem and, in general, pose problems regarding the needs and welfare of the people (a concern) that is shown within your document)? Are there still septic systems draining into the lake? – when was the last study done? Findings showed testing back in the '80's early 90's. Could this dredging possibly result in future lawsuits?

MPOA Response # 11 - SUNRISE RIDGE ESTATES – Contaminants

Again, the dredging will not “make the circumference of the lake larger”.

It is impossible to respond to allegations attributed to a nameless report. It is certainly acknowledged that Woodstock, Illinois hosted a variety of industrial operations over the last 150 years, and that prior to the onset of environmental regulations, a variety of ill-advised activities potentially occurred in Woodstock, as well as across the rest of the United States. However, the Woodstock Die Cast factory was formerly situated near downtown Woodstock, approximately 0.6 miles away from Silver Creek (a Nippersink Creek tributary), and by stream-mile, approximately 9 miles upstream of the West Bay of Wonder Lake.

Over the last 20 years or so, the MPOA has been working with:

- our current environmental consultant, HDR, to collect numerous in-lake sediment samples and have those samples analyzed for contaminants in accordance with state / federal testing protocols.
- the U.S. Geological Survey to investigate in-lake and watershed issues.
- the Illinois Environmental Protection Agency (IEPA) to look at in-lake and watershed issues.

None of these professional / agency interactions ever identified any evidence of any in-lake sediment contamination issues that would pose an impediment to dredging or identified any problems in those portions of Nippersink Creek / Silver Creek between Woodstock & Wonder Lake; or in adjacent areas of Woodstock.

It is our understanding that the major environmental issues associated with the “closing” of the Woodstock Die Cast factory in the early 2000's dealt with localized groundwater issues and asbestos in the demolition process, and it is understood that a “No Further Remediation” Letter was issued. No reference to any associated off-site pollution / contaminant issues, or required remediation activities that would affect Nippersink Creek or Wonder Lake, could be found in on-line files.

The MPOA is certainly supportive of SUNRISE RIDGE ESTATES (and other Wonder Lake subdivisions providing PN comments) recognizing the need to begin addressing potential local impacts to Wonder Lake, including septic system failures, even though they have no connection to / bearing on the proposed dredging operation. Over the last few years, the MPOA has funded the routine collection of water quality samples, using the MPOA Lake Manager as well as the McHenry County Department of Health (MCDH), to hopefully identify areas where e.coli bacterial levels may be excessive. However, the regulation of on-site septic systems is strictly a function of the MCDH, and anyone having concerns about, or knowledge of failing septic systems should direct them to that agency. The MPOA also shares the concerns of SUNRISE RIDGE ESTATES regarding any impacts to groundwater / drinking water supply concerns, and will adhere to any permit requirements mandated by the IEPA in their review / approval of their Section 401 Water Quality Permit.

Comment # 12 - SUNRISE RIDGE ESTATES – SSA Process

The Village of Wonder Lake held a Public Hearing in mid December 2008 for the purpose of property owners to voice their opinions and concerns regarding dredging and SSA property taxes. Hundreds showed up to voice their opinions. We estimated that 90% of those present were against in the form of SSA taxes. After the public hearing took place, there was a 60 day window to petition against dredging. This meant that signatures had to be collected within a Xmas/New Year holiday timeframe as well as trying to collect signatures in the coldest, shortest days of the year. The petitions had to be turned in by mid February 2009 (60 days) in order to be accepted and valid. Property owners felt united that more than required 51% in order to defeat the SSA of signatures were turned in. After multiple months the Village of Wonder Lake responded to our petitions along with the officers of the MPOA stating that not enough signatures were received. The only way to fight this judgment was by a court action. We were told that this would cost upward of \$ 100,000 to contest and show that we met the number of signatures required. The SSA process had it been done in an ethical manner would have had completely different results. Taxation without proper representation... What kind of result could we expect from another Public Hearing?

MPOA Response # 12 - SUNRISE RIDGE ESTATES – SSA Process

In October of 2007, SUNRISE RIDGE ESTATES (SRE) representatives notified the MPOA of a desire to withdraw their subdivision from membership in the MPOA, and to also exclude SRE properties from the proposed SSA taxing district. From the beginning, the MPOA Officers expressed a willingness to work with SRE to support such a request should the attorneys agree that such action could be legally achieved. On November 5th, 2007, the MPOA Secretary directed correspondence to SRE requesting that the SRE attorney contact the MPOA attorney with a formal proposal. This was followed by MPOA officer's meeting at the SRE attorney's office in December 2007. At that meeting, the MPOA Officers outlined the conditions for considering a call for a Special Convention of Delegates to vote on the request. It was also requested that the MPOA attorney receive copies of the covenants attached to SRE properties, SRE by laws and other pertinent information for review and confirmation of the legality of the request. No response or information was provided by SRE or their attorney.

On July 14th, 2008 the MPOA attorney outlined three conditions that the SRE Board would need to meet before a MPOA Convention of Delegates would be called to consider the exclusion of SRE properties from the proposed SSA. These were modified on August 5th, 2008 to read as follows:

1. SRE would indemnify the MPOA against any litigation on behalf of any SRE property owner.
2. SRE would reimburse the MPOA for legal fees incurred to satisfy SRE request.
3. SRE would donate the SRE lake access property to Village of Wonder Lake.

On September 9th, 2008, the SRE attorney advised the MPOA attorney that items 1 & 2 above were rejected by the SRE Board. Following a review of this rejection, on September 10th, 2008, the MPOA Directors voted to suspend all action to consider removing SRE from MPOA.

The MPOA had initially hoped to hold the required SSA hearing in the summer of 2008, however, this was delayed **directly** as a result of the MPOA providing SUNRISE RIDGE ESTATES (SRE) a timeframe to explore where SRE could come up with a legal framework under which they could be removed from MPOA membership and from the proposed SSA. On November 5th, 2008, The Village of Wonder Lake approved an ordinance proposing to establish the SSA. The public notice of the December 17th, 2008 SSA Hearing was delivered to the Post Office on December 5th, 2008. Without question, had SRE responded in a timely manner, the MPOA could have conducted the SSA hearing much earlier in the year.

As discussed in **MPOA Response # 2 – HIGHLAND SHORES SUBDIVISION – Support for SSA**, the opposition efforts to stop formation of the SSA failed by a significant margin, as was confirmed by an independent outside auditor, all without the Village or MPOA challenging the validity of a single property owner petition signature.

Comment # 13 - SUNRISE RIDGE ESTATES – Wonder Lake Dam

Our earthen dam is 80 years old and is rated in the “high hazard” category. Per Federal guidelines, dam engineers and reputable sources, it is recommended that annual inspections above and below the dam take place for close monitoring in order to avoid catastrophic failures. The sluice gates have not been fully functional for the past 10 years. According to manufacturer’s specifications, sluice gates should be tested two times per year. Also, annual lake draw downs should occur by opening the sluice gates. This allows for much removal of accumulated sediment from the lake and is a natural way of dredging costing us nothing. In addition, the debris that collects within the lake can be removed and cleaned up which also helps prevent accidents and injuries that could result in liability costs to us. The sluice gates are not opened and the lake is not drawn down because the MPOA feels that it is too risky (since the sluice gates do not function properly). There is also a leak in the 7th chamber of the spillway that needs surveillance and possible repairs. In addition, we are concerned about erosion in the earthen part of the dam.

MPOA Response # 13 - SUNRISE RIDGE ESTATES – Wonder Lake Dam

The Wonder Lake dam has historically met the standards necessary to qualify as a safe structure within the State of Illinois High Hazard status. In 1995, the Wonder Lake Dam Commission began requiring annual dam inspections by professional consultants. Over the past 16 years, consultants with expertise in dam maintenance have inspected our dam annually and praised both its condition and the maintenance program. These dam inspection reports are filed with the state agency in charge of dams, the Illinois Department of Natural Resources, Division of Water Resources (IDNR-OWR) and are also on file in the MPOA office. The MPOA Board is also routinely informed each year that a dam inspection has been conducted.

For the past several years, IDNR-OWR staff has been invited to Wonder Lake to participate and supervise our annual dam inspections, with their staff participating in the 2010 and 2011 inspections, and physically participating in the manual cranking required to open and close each sluice gate. Our dam has most recently been used by IDNR-OWR specialists to train agency personnel on what to look for when inspecting dams.

The comment that the sluice gates have not been fully functional for the past 10 years is without basis, fact, or merit. At one point, the control rod for the west sluice gate was damaged by debris, but the rod was repaired and full function was restored. At another time, some debris was caught in the sluice gate when it was exercised and closed, resulting in a minor amount of leakage through the sluice gate until a diver supervised the debris removal. Another control rod bracket was replaced this year with a more durable brass fitting, but all of these activities fall under the category of routing maintenance.

In regards to the comment of the “manufacturer’s specifications”, the MPOA would be very grateful to the commenter if they could provide us with a copy of that document, as we have never seen this document, or for that matter, had any idea of the identity of the manufacturer of our sluice gates. We would update our response to that comment upon receipt of that document.

The comment regarding the use of sluice gates for “dredging costing us nothing” is incorrect as the upstream face of the Wonder Lake dam features the least accumulation of sediment within the lake, given it is the farthest point on the lake from where the Nippersink Creek (and its associated sediment load) flows in. It also exhibits a disregard for the water quality and in-stream habitat of the downstream reach of Nippersink Creek, and the extensive riparian habitat restoration work that has been undertaken by our downstream neighbors, the McHenry County Conservation District.

Lake clean-ups can also be accomplished without lake drawdowns, as evidenced by the annual spring lake clean-up conducted by the Wonder Lake Sportsman’s Club since 1999, an event well publicized within the Wonder Lake community. Finally, minor leaks in an 82 year old poured-in-place concrete spillway are normal, expected, and monitored. Similarly, minor erosion of the earthen dam embankment is also normal and expected. Permits authorizing the placement of supplemental rip-rap on the dam face have already been received and funding for this work has been accounted for in SSA # 9.

Comment # 14 - SUNRISE RIDGE ESTATES – Subdivision Control

Lakefront property owners benefit much more so than the majority of property owners who have to pay for this dredging. Additionally, lakefront property owners are in control of many of the subdivisions which directly has effected homeowners getting proper notification of SSA info. As a result many property owners are left in the dark (especially new owners or owners not living in Wonder Lake) as to what is actually happening. They only know they have more property taxes to pay for the benefit of a minority of property owners in Wonder Lake.

MPOA Response # 14 - SUNRISE RIDGE ESTATES – Subdivision Control

As for the amount of the assessment of the SSA tax that appears on individual property tax bills, all calculations are based on the equalized assessed value (EAV) of each property. Historically, comparable homes that are closest to the lake have a higher EAV than homes farther from the lake. This is the reason for choosing the EAV as the determining factor, the higher the value, the greater the assessment. On average, lakefront properties are assessed more than off lake properties. By allowing the SSA taxing district to be created, the owners with deeded lake rights agreed that this approach was the most equitable way of assuring that everyone pays their fair share.

Each subdivision belonging to the MPOA elects a director to represent them on the MPOA Board. That process is governed by the by-laws of each respective subdivision. The MPOA has no role or involvement in who each subdivision elects, or how that process occurs. If a lakefront property owner is an MPOA Board member, it is because the subdivision they represent has made it so.

Each member of the MPOA Board of Directors represents an individual subdivision and all directors have a weighted vote equal to the number of lots in their subdivision. Currently, there are 10 lakefront property owners who are MPOA directors with a total of 23 weighted votes. There are also 9 MPOA directors who live “off-lake” with 45 total weighted votes. These off-lake MPOA directors currently control 66% of the total weighted votes.

The MPOA holds regularly scheduled MPOA Board meetings each month, as well as an annual convention. The MPOA also hosts a website (www.wlmpoa.org) and mails a periodic newsletter out to each MPOA member. During the SSA formation process, the MPOA also hosted informational open houses; made special mailings; and posted extensive amounts of information on the MPOA website.

Frankly, there is only so much the MPOA can do to provide information to its membership. An integral part of this process is for each subdivision Director to take the information they are presented with at the monthly MPOA meetings, and to accurately convey that information to their respective subdivision boards. This is a simple endeavor for MPOA Directors who regularly attend the MPOA meetings.

However, in the case of SUNRISE RIDGE ESTATES, their subdivision MPOA Director was absent for:

- 31% of the MPOA meetings held in 2008;
- 31% of the MPOA meetings held in 2009;
- 33% of the MPOA meetings held in 2010; and
- 50% of the MPOA meetings held to date in 2011.

In an effort to provide another mechanism for information to get out to the subdivisions, in July of 2009, the MPOA initiated “President’s Meetings” in which each subdivision board president is invited to a Saturday morning meeting at the MPOA offices. The intent of these periodic meetings is to provide updates on lake restoration issues, as well as to discuss other issues being experienced by the subdivisions. Since July 2009, twenty two (22) President’s Meetings have been held, but a representative of SUNRISE RIDGE ESTATES has only attended one (1) of these meetings.

Comment # 15 - SUNRISE RIDGE ESTATES – Beach Access

SUNRISE RIDGE ESTATES subdivision cannot even get to the lake; the area that is the “beach” access is on wetlands that are not accessible as can be confirmed by the Army Corps. MPOA refuses to remove the subdivision from the SSA.

MPOA Response # 15 - SUNRISE RIDGE ESTATES – Beach Access

While the MPOA acknowledges that the SUNRISE RIDGE ESTATES (SRE) beach access area has challenges, the selection of a beach access area for the proposed SRE subdivision was made by the developer, not the MPOA. However, the MPOA and Village of Wonder Lake have made a number of approaches to the SRE subdivision board about potential alternatives, including as part of the Meadows of West Bay subdivision, as recently as 2006. No responses were ever received from the SRE subdivision Board, or their MPOA Director.

Even as the lake restoration design and permitting process was getting underway, in May 2010, the MPOA Lake Manager contacted the SRE MPOA Director to encourage them to work with the MPOA to get their beach access designed and permitted in conjunction with the lake restoration project, and have any wetland impacts that might be required in establishing SRE beach access be “mitigated” under the overall lake dredging program. No response was ever received from the SRE subdivision Board, or their MPOA Director.

The MPOA is also not aware of any effort made by SRE to contact the U.S. Army Corps of Engineers to determine the feasibility of establishing lake access on their lakefront parcel; any jurisdictional wetland determination reports that SRE may have commissioned to identify the extent, boundaries, or quality of wetlands on their lakefront parcel; or any other appropriate studies, investigations, or site engineering.

As discussed in **MPOA Response # 12 - SUNRISE RIDGE ESTATES – SSA Process**, the date for the statutory SSA Hearing was delayed **directly** as a result of negotiation with SUNRISE RIDGE ESTATES (SRE) concerning their membership in the MPOA and participation in the SSA, and the failure of SRE to present the MPOA with a legally defensible process the MPOA could consider that would allow SRE to withdraw their membership in the MPOA.

INDIAN RIDGE SUBDIVISION Comments & Responses

Comment # 16 – INDIAN RIDGE – Support for Project

We represent the sentiments and views of most of our property owners who are forced to pay additional real estate taxes collected by McHenry County for SSA # 9 for the purpose of dredging Wonder Lake. Very few of the 270 property owners (960 lots) are in favor of the dredging and the extra taxes to be paid for a 20 year period of time; especially in this very poor economy. Our subdivision has had close to 34 foreclosures and liens have been placed upon properties for unpaid subdivision Dues.

MPOA Response # 16 – INDIAN RIDGE – Support for Project

As discussed in **MPOA Response # 2 – HIGHLAND SHORES SUBDIVISION – Support for SSA**, in Illinois, the statutory requirement to stop a governmental body from establishing a special service area taxing district (SSA) is that at least 51% of all electors (registered voters) residing within the proposed boundary of the SSA AND at least 51% of all owners of property within the proposed boundary must sign a petition opposing its creation.

The allegation by the Officers of the INDIAN RIDGE Board of Directors that they are speaking for most of the owners in their subdivision is not supported by the signatures found on petitions opposing the creation of a SSA taxing district submitted to the Village of Wonder Lake.

An analysis of the Elector petitions submitted to the Village of Wonder Lake on February 17, 2009 (60 days following the public hearing) reveals that of the 5,892 eligible electors residing within the proposed SSA boundary, 1,927 eligible electors (33% of all electors) signed petitions opposing the SSA.

According to records obtained from the McHenry County Clerk's office, there were 659 electors residing in the INDIAN RIDGE subdivision on December 17, 2008. Of the total electors, only 257 (39%) eligible electors signed petitions opposing the SSA.

Comment # 17 – INDIAN RIDGE – Sediment Volume

Per this notice, almost 3 million cubic yards of sediment have accumulated within Wonder Lake according to a 1995 report. The dredging proposal calls for approximately 532,330 cubic yards of sediment over a 4-5 year operation. This represents only about 18% of the accumulated sediment to be removed at a cost of 5.9 million dollars, we must ask at what cost the home owners will be forced to pay for the remaining 82% of the sediment to be removed. We do not need to bankrupt our citizens for the pleasure of a few who live on the lake.

MPOA Response # 17 – INDIAN RIDGE – Sediment Volume

The current lake dredging project, as proposed, has already been repeatedly downsized to make it an economically feasible project for the community, as well as one that removes enough sediment to provide a demonstrable benefit to the water quality of Wonder Lake. It has also been repeatedly stated on the record at MPOA meetings / hearings / newsletters, etc. that the lake restoration Special Service Area (SSA) # 9 is a one-time event, with a capped bond amount of \$ 5.9 million. Additional large-scale dredging will only occur IF the sediments removed from the lake have a resale potential, generate additional revenue, and updated permits are issued by the appropriate agencies.

Comment # 18 – INDIAN RIDGE – Dredging Locations

In reviewing the map showing the proposed dredged areas, the bulk of the dredging will occur in the West Bay and South End of Wonder lake. When the lake was formed in 1929 these 2 areas were overspill and always shallow. The West Bay was nothing but tree stumps. The south end had anywhere between a couple inches of water to less than a foot of water. The lakefront on the West end of the lake was never developed because the lake was full of tree stumps and shallow. Most property owners on the South End do not want to pay for dredging and, in fact, do not belong to the MPOA. It appears that this dredging is for the purpose of making the lake larger for the benefit of a minority of the property owners and future developers.

MPOA Response # 18 – INDIAN RIDGE – Dredging Locations

Redundant Comment – See **MPOA Response # 9 - SUNRISE RIDGE ESTATES – Dredging Locations**

Comment # 19 – INDIAN RIDGE – Mechanical Dredging

The Notice states that mechanical dredging may be required (hydraulic dredging is supposed to be the method of extracting the sediment) in areas where excavation will occur beneath the original lake bed. We are certain that this will apply to the West Bay and South End that was nothing but overspill in 1929 and always shallow.

MPOA Response # 19 – INDIAN RIDGE – Mechanical Dredging

Redundant Comment – See **MPOA Response # 10 - SUNRISE RIDGE ESTATES – Mechanical Dredging**

Comment # 20 – INDIAN RIDGE – Contaminants

In addition to our objection which makes the circumference of the lake larger, we (along with many others) are concerned with contaminants and toxic metals that were discharged as waste by an electroplating plant called Woodstock Die Cast located in Woodstock, Ill (the factory was torn down about 20 years ago and the grounds were considered contaminated for a long time) Toxic waste from this electroplating factory was dumped into the Nippersink Creek (the water source of Wonder Lake). Much of this heavy metal waste found its way into Wonder Lake's West Bay. There was a report issued many years ago that provided documentation and graphs showing various percentages of heavy metals and contaminants within the sediment. This report concluded that dredging would pose many potential problems. Will this dredging compromise wells and drinking water since most people have their own wells for access to water? Could this dredging create a health problem and, in general, pose problems regarding the needs and welfare of the people (a concern) that is shown within your document)? Are there still septic systems draining into the lake? – when was the last study done? Findings showed testing back in the '80's early 90's. Could this dredging possibly result in future lawsuits?

MPOA Response # 20 – INDIAN RIDGE – Contaminants

Redundant Comment – See **MPOA Response # 11 - SUNRISE RIDGE ESTATES – Contaminants**

Comment # 21 - INDIAN RIDGE – SSA Process

The Village of Wonder Lake held a Public Hearing in mid December 2008 for the purpose of property owners to voice their opinions and concerns regarding dredging and SSA property taxes. Hundreds showed up to voice their opinions. We estimated that 90% of those present were against in the form of SSA taxes.

After the public hearing took place, there was a 60 day window to petition against dredging. This meant that signatures had to be collected within a Xmas/New Year holiday timeframe as well as trying to collect signatures in the coldest, shortest days of the year. The petitions had to be turned in by mid February 2009 (60 days) in order to be accepted and valid. Property owners felt united that more than required 51% in order to defeat the SSA of signatures were turned in. After multiple months the Village of Wonder Lake responded to our petitions along with the officers of the MPOA stating that not enough signatures were received. The only way to fight this judgment was by a court action. We were told that this would cost upward of \$ 100,000 to contest and show that we met the number of signatures required. The SSA process had it been done in an ethical manner would have had completely different results. Taxation without proper representation... What kind of result could we expect from another Public Hearing?

MPOA Response # 21 – INDIAN RIDGE – SSA Process

Redundant Comment – See **MPOA Response # 12 - SUNRISE RIDGE ESTATES – SSA Process**

Comment # 22 - INDIAN RIDGE – Wonder Lake Dam Repairs

Our subdivision feels that there has been a neglect of repairs to the dam and spillway due to the MPOA focusing on dredging and not budgeting for necessary dam repairs.

MPOA Response # 22 – INDIAN RIDGE – Wonder Lake Dam Repairs

Since the MPOA voluntarily started conducting annual dam inspections in 1995, there has not been a single issue that has arisen with the maintenance or repair of the Wonder Lake Dam that has not been handled within the MPOA Budget Line Item, or by re-allocating funds from other available budget line items. The MPOA Directors have access to the annual dam inspection reports, and also get periodic updates from the MPOA Lake Maintenance Commission and MPOA Lake Manager.

Each year, the entire MPOA Board of Directors also has the opportunity to make suggested adjustments to the annual MPOA Operating Budget for the upcoming fiscal year before they vote on it. A review of MPOA Board meeting minutes for the last four years (the same timeframe in which the MPOA has been focusing on dredging) did not reveal any action by any MPOA Director calling for an adjustment to the proposed dam maintenance budget, or calling for a specific repair to be made on the dam.

Comment # 23 - INDIAN RIDGE – Wonder Lake Dam

Our earthen dam is 80 years old and is rated in the “high hazard” category. Per Federal guidelines, dam engineers and reputable sources, it is recommended that annual inspections above and below the dam take place for close monitoring in order to avoid catastrophic failures. The sluices gates have not been fully functional for the past 10 years. According to manufacturer’s specifications, sluice gates should be tested two times per year. Also, annual lake draw downs should occur by opening the sluices gates. This allows for much removal of accumulated sediment from the lake and is a natural way of dredging costing us nothing. In addition, the debris that collects within the lake can be removed and cleaned up which also helps prevent accidents and injuries that could result in liability costs to us. The sluice gates are not opened and the lake is not drawn down because the MPOA feels that it is too risky (since the sluice gates do not function properly). There is also a leak in the 7th chamber of the spillway that needs surveillance and possible repairs. In addition, we are concerned about erosion in the earthen part of the dam.

MPOA Response # 23 – INDIAN RIDGE – Wonder Lake Dam

Redundant Comment – See **MPOA Response # 13 - SUNRISE RIDGE ESTATES – Wonder Lake Dam**

Comment # 24 - INDIAN RIDGE – Subdivision Control

Most of the Directors and Officers of the MPOA live on the lake. They represent special interest groups and not the majority of property owners who have to pay for this dredging. Additionally, lakefront property owners are in control of many of the subdivisions.

MPOA Response # 24 - INDIAN RIDGE – Subdivision Control

Redundant Comment - See **MPOA Response # 14 - SUNRISE RIDGE ESTATES – Subdivision Control**

Comment # 25 - INDIAN RIDGE – Lack of Information

Many, many property owners are left in the dark (especially new owners) as to what is actually happening. They only know they have more property taxes to pay for the benefit of a minority.

MPOA Response # 25 - INDIAN RIDGE – Lack of Information

The MPOA holds regularly scheduled MPOA Board meetings each month, as well as an annual convention. The MPOA also hosts a website (www.wlmpoa.org) and mails a periodic newsletter out to each MPOA member. During the SSA formation process, the MPOA also hosted informational open houses; made special mailings; and posted extensive amounts of information on the MPOA website.

Frankly, there is only so much the MPOA can do to provide information to its membership. An integral part of this process is for each subdivision Director to take the information they are presented with at the monthly MPOA meetings, and to accurately convey that information to their respective subdivision boards. This is a simple endeavor for MPOA Directors who regularly attend the MPOA meetings.

However, in the case of INDIAN RIDGE, since being elected their current subdivision MPOA Director was absent for:

- 23% of the MPOA meetings held in 2009; and
- 40% of the MPOA meetings held to date in 2010.

In an effort to provide another mechanism for information to get out to the subdivisions, in July of 2009, the MPOA initiated “President’s Meetings” in which each subdivision board president is invited to a Saturday morning meeting at the MPOA offices. The intent of these periodic meetings is to provide updates on lake restoration issues, as well as to discuss other issues being experienced by the subdivisions.

Since July 2009, twenty two (22) President’s Meetings have been held, but a representative of INDIAN RIDGE has only attended three (3) of these meetings.

Comment # 26 - INDIAN RIDGE – Fraudulent Actions

Wonder Lake; for the most part, is not an affluent community. This year’s property tax bill already includes SSA#9 dredging taxes. Many property owners cannot afford to pay off \$ 5.9 million dollars plus interest on bonds that have already been sold before the MPOA has permits in place for dredging. This appears to be fraudulent.

MPOA Response # 26 - INDIAN RIDGE – Fraudulent Actions

The MPOA is not aware of any provision of the enabling SSA legislation that mandates that SSA funded revenues cannot be spent until the MPOA has “permits in place”. Every MPOA Director has been repeatedly informed that a levy for SSA # 9 would be appearing on the McHenry Property Tax Bills for FY 2010 payable in 2011, and why that was occurring. Additionally, since April of 2010, every MPOA Director was aware that the MPOA has been expending SSA generated funds on various lake restoration related tasks, including engineering, surveying, and unfortunately, a considerable amount of legal fees in responding to those trying to stop a project that is well underway.

As discussed in **MPOA Response # 3 – HIGHLAND SHORES SUBDIVISION – Economic Impact**, the MPOA has also established an SSA tax rebate program for low and very low income property owners within the SSA territory.

HICKORY FALLS III SUBDIVISION Comments and Responses

Comment # 27 – HICKORY FALLS III – Support for Project

We represent the sentiments and views of almost all of our property owners who are forced to pay additional real estate taxes collected by McHenry County for SSA# 9 for the purpose of Dredging Wonder Lake. Very few of the 155 property owners (375 lots) are in favor of dredging and the extra taxes to be paid for a 20 year period of time, especially in this very poor economy. Our subdivision has had close to 20 foreclosures and many liens have been placed upon properties for unpaid subdivision and master property (MPOA) dues.

MPOA Response # 27 – HICKORY FALLS III – Support for Project

Redundant Comment – See **MPOA Response # 4 – SUNRISE RIDGE ESTATES – Support for Project**

An analysis of the Elector petitions submitted to the Village of Wonder Lake on February 17, 2009 (60 days following the public hearing) reveals that of the 5,892 eligible electors residing within the proposed SSA boundary, 1,927 electors (33% of all electors) signed petitions opposing the SSA.

According to records obtained from the McHenry County Clerk's office, there were 265 electors residing in the HICKORY FALLS III subdivision on December 17, 2008. Of the total electors, 121 (45.7%) signed petitions opposing the SSA.

Comment # 28 – HICKORY FALLS III – SDF Lease

A contract agreement between the MPOA and the property owner's for the SDF should have been signed and in place before property owners began paying SSA taxes (beginning this year for 2010)

MPOA Response # 28 – HICKORY FALLS III – SDF Lease

Redundant Comment – See **MPOA Response # 7 – SUNRISE RIDGE ESTATES – SDF Lease**

Comment # 29 – HICKORY FALLS III – Sediment Volume

Per this notice, almost 3 million cubic yards of sediment have accumulated within Wonder Lake according to a 1995 report. The dredging proposal calls for approximately 532,330 cubic yards of sediment over a 4-5 year operation. This represents only about 18% of the accumulated sediment that will cost the Wonder Lake property owners \$ 5.9 million plus interest on the bonds sold that will result in a total cost of approximately \$ 12 million. This cost will place extra burdens on already over-extended households suffering from loss of jobs and possible loss of homes.

MPOA Response # 29 – HICKORY FALLS III – Sediment Volume

Redundant Comment – See **MPOA Response # 8 – SUNRISE RIDGE ESTATES – Sediment Volume**

Comment # 30 – HICKORY FALLS III – Dredging Locations

In reviewing the map showing the proposed dredged areas, the bulk of the dredging will occur in the West Bay and South End of Wonder lake. When the lake was formed in 1929 these 2 areas were overspill and always shallow. The West Bay was nothing but tree stumps. The south end had anywhere between a couple inches of water to less than a foot of water. The lakefront on the West end of the lake was never developed because the lake was full of tree stumps and shallow. Most property owners on the South End do not want to pay for dredging and, in fact, do not belong to the MPOA. It appears that this dredging is for the purpose of making the lake larger for the benefit of a minority of the property owners and future developers.

MPOA Response # 30 – HICKORY FALLS III – Dredging Locations

Redundant Comment – See **MPOA Response # 9 - SUNRISE RIDGE ESTATES – Dredging Locations**

Comment # 31 – HICKORY FALLS III – Mechanical Dredging

The Notice states that mechanical dredging may be required (hydraulic dredging is supposed to be the method of extracting the sediment) in areas where excavation will occur beneath the original lake bed. We are certain that this will apply to the West Bay and South End that was nothing but overspill in 1929 and always shallow.

MPOA Response # 31 – HICKORY FALLS III – Mechanical Dredging

Redundant Comment – See **MPOA Response # 10 - SUNRISE RIDGE ESTATES – Mechanical Dredging**

Comment # 32 - HICKORY FALLS III – Contaminants

In addition to our objection which makes the circumference of the lake larger, we (along with many others) are concerned with contaminants and toxic metals that were discharged as waste by an electroplating plant called Woodstock Die Cast located in Woodstock, Ill (the factory was torn down about 20 years ago and the grounds were considered contaminated for a long time) Toxic waste from this electroplating factory was dumped into the Nippersink Creek (the water source of Wonder Lake). Much of this heavy metal waste found its way into Wonder Lake's West Bay. There was a report issued many years ago that provided documentation and graphs showing various percentages of heavy metals and contaminants within the sediment. This report concluded that dredging would pose many potential problems. Will this dredging compromise wells and drinking water since most people have their own wells for access to water? Could this dredging create a health problem and, in general, pose problems regarding the needs and welfare of the people (a concern) that is shown within your document)? Are there still septic systems draining into the lake? – when was the last study done? Findings showed testing back in the '80's early 90's. Could this dredging possibly result in future lawsuits?

MPOA Response # 32 - HICKORY FALLS III – Contaminants

Redundant Comment – See **MPOA Response # 11 - SUNRISE RIDGE ESTATES – Contaminants**

Comment # 33 - HICKORY FALLS III – SSA Process

The Village of Wonder Lake held a Public Hearing in mid December 2008 for the purpose of property owners to voice their opinions and concerns regarding dredging and SSA property taxes. Hundreds showed up to voice their opinions. We estimated that 90% of those present were against in the form of SSA taxes.

After the public hearing took place, there was a 60 day window to petition against dredging. This meant that signatures had to be collected within a Xmas/New Year holiday timeframe as well as trying to collect signatures in the coldest, shortest days of the year. The petitions had to be turned in by mid February 2009 (60 days) in order to be accepted and valid. Property owners felt united that more than required 51% in order to defeat the SSA of signatures were turned in. After multiple months the Village of Wonder Lake responded to our petitions along with the officers of the MPOA stating that not enough signatures were received. The only way to fight this judgment was by a court action. We were told that this would cost upward of \$ 100,000 to contest and show that we met the number of signatures required. This happened in 2009 when the economy was almost in a depression. People were afraid and loosing their jobs and homes. Going to court with a lawsuit was unaffordable and out of the question. What kind of result could we expect from another Public Hearing?

MPOA Response # 33 – HICKORY FALLS III – SSA Process

Redundant Comment – See **MPOA Response # 12 - SUNRISE RIDGE ESTATES – SSA Process**

Comment # 34 - HICKORY FALLS III – Wonder Lake Dam Repairs

Our subdivision feels that there has been a neglect of repairs to the dam and spillway due to the MPOA focusing on dredging and not budgeting for necessary dam repairs.

MPOA Response # 34 – HICKORY FALLS III – Wonder Lake Dam Repairs

Redundant Comment – See **MPOA Response # 22 – INDIAN RIDGE – Wonder Lake Dam Repairs**

Comment # 35 - HICKORY FALLS III – Wonder Lake Dam

Our earthen dam is 80 years old and is rated in the “high hazard” category. Per Federal guidelines, dam engineers and reputable sources, it is recommended that annual inspections above and below the dam take place for close monitoring in order to avoid catastrophic failures. The sluice gates have not been fully functional for the past 10 years. According to manufacturer’s specifications, sluice gates should be tested two times per year. Also, annual lake draw downs should occur by opening the sluice gates. This allows for much removal of accumulated sediment from the lake and is a natural way of dredging costing us nothing. In addition, the debris that collects within the lake can be removed and cleaned up which also helps prevent accidents and injuries that could result in liability costs to us. The sluice gates are not opened and the lake is not drawn down because the MPOA feels that it is too risky (since the sluice gates do not function properly). There is also a leak in the 7th chamber of the spillway that needs surveillance and possible repairs. In addition, we are concerned about erosion in the earthen part of the dam.

MPOA Response # 35 – HICKORY FALLS III – Wonder Lake Dam

Redundant Comment – See **MPOA Response # 13 - SUNRISE RIDGE ESTATES – Wonder Lake Dam**

Comment # 36 – HICKORY FALLS III – Subdivision Control

Most of the Directors and Officers of the MPOA live on the lake. They represent special interest groups and not the majority of property owners who have to pay for this dredging. Additionally, lakefront property owners are in control of many of the subdivisions. Many, many property owners are left in the dark (especially new owners) as to what is actually happening. They only know they have more property taxes to pay for the benefit of a minority.

MPOA Response # 36 – HICKORY FALLS III – Subdivision Control

Redundant Comment – See **MPOA Response # 24 - INDIAN RIDGE – Subdivision Control**

Comment # 37 - HICKORY FALLS III – Fraudulent Actions

Wonder Lake; for the most part, is not an affluent community. This year's property tax bill already includes SSA#9 dredging taxes. Many property owners cannot afford to pay off \$ 5.9 million dollars plus interest on bonds that have already been sold before the MPOA has permits in place for dredging. This appears to be fraudulent.

MPOA Response # 37 – HICKORY FALLS III – Fraudulent Actions

Redundant Comment – See **MPOA Response # 25 - INDIAN RIDGE – Fraudulent Actions**

JOHN E. LYND, WONDER LAKE, IL - Comments and Responses

Comment # 38 - JOHN E. LYND, WONDER LAKE, IL – Distrust of Local Officials

Please find attached a public letter that I wrote back in January 2008. In it I bring up many issues with this project, most of which are related to the poor management practices of the MPOA of Wonder Lake. I understand that the general populations distrust in the local officials and the economic strain on many of the property owners are low on the criteria for making your decision on issuing this permit. However as a Trustee of the Village of Wonder Lake there are other issues that I think need looking into before issuing this permit.

MPOA Response # 38 - JOHN E. LYND, WONDER LAKE, IL – Distrust of Local Officials

The letter referenced by Mr. Lynd was never submitted to, or received by the Wonder Lake MPOA. As such, being not aware of its existence, the MPOA could not have commented on it.

More importantly, the Wonder Lake MPOA went to great lengths to provide regular updates as to the overall project progress at monthly MPOA Director meetings; MPOA Subdivision President meetings; MPOA Open Houses; MPOA Newsletters; and the MPOA websites.

These updates included all the efforts of the MPOA to reduce the scope of the project to the minimal size needed to provide a demonstrable water quality impact to Wonder Lake; to reduce the carrying cost of the project to SSA participant's; and most importantly, to establish a mechanism that will provide tax rebate assistance to those members of the community that could potentially be negatively impacted by the lake restoration SSA.

If Mr. Lynd's concerns about the management practices of the MPOA were sincere, it would not be unexpected that as a property owner with deeded lake rights, he would have attended an MPOA Board meeting or requested information regarding any of the Organizations plans to address Lake issues. This never happened. As a Village trustee, it would not be unexpected that if Mr. Lynd had concerns about the operations of the MPOA, or the proposed lake restoration, he would have availed himself of the opportunity to have raised questions at the Village Board meetings, which typically have an MPOA officer attending. This never happened.

To Mr. Lynd's credit, an analysis of the elector petitions confirms that Mr. Lynd and the members of his family that are registered to vote in McHenry County and are resident members of the SUNRISE RIDGE ESTATES subdivision did not sign petitions opposing the creation of the Village of Wonder Lake SSA.

Comment # 39 - JOHN E. LYND, WONDER LAKE, IL – Sediment Wind Disbursement

In this letter I brought up wind disbursement of the mined material from the lake bed. In my opinion due diligent's has not been given to this topic. It is a fact that some toxins are in this material, and as a Sediment Storage and De watering Facility is adjacent to a Elementary School it would be prudent to ask for all of the information on core samples taken. It may also be prudent to collect more core samples and have them annualized. I am sure that all parties would agree that the health and safety of the children that attend Greenwood Elementary School should be taken seriously. The extra time and expense are definitely in the best interest of the Community.

MPOA Response # 39 - JOHN E. LYND, WONDER LAKE, IL – Sediment Wind Disbursement

Again, all sediment core samples collected to date have been made available to the IEPA as part of their permit review, and the MPOA has agreed to collect and submit any additional core samples the IEPA deems appropriate. For Mr. Lynd to suggest that the MPOA does not have the best interests of the overall Wonder Lake community at heart is regrettable.

Comment # 40 - JOHN E. LYND, WONDER LAKE, IL – Lack of Information

I will say as a public official I have not been given any of the information regarding the toxicity of the core samples, and my concerns lay primarily with this.

MPOA Response # 40 - JOHN E. LYND, WONDER LAKE, IL – Lack of Information

The primary reason that Mr. Lynd has never requested any information on any issue related to the core samples, is that he never requested access to such information. The simple answer to his comment is that the results of the past 16 years of certified sediment testing, and on-going discussions with IEPA staff, have not revealed any sediment-related issue that would prevent the lake restoration project from moving forward.

More importantly, Mr. Lynd should recognize that the Village of Wonder Lake retains a highly qualified engineering firm, Manhard and Associates, Inc. as the Village engineers, and that they are perfectly capable of providing an unbiased evaluation of all of the pending permit applications, sediment data, and proposed engineering plans to ensure that the Village of Wonder Lake as well as all area residents are adequately protected from adverse impacts from the proposed project.

LAND CONSERVANCY OF MCHENRY COUNTY - Comment and Response

Comment # 41 - LAND CONSERVANCY OF MCHENRY COUNTY – Wetland Mitigation

I was unable to determine from the application materials whether or not the proposed pipelines will impact any of the wetlands or mitigation areas that were required by the Corps within the Meadows of west Bay subdivision, but it appears to me that the pipelines run through the low lying areas that were set aside as open space as part of the Corps' permit.

I am attaching an exhibit from that project, and would ask that you ensure that the current proposal does not have effects that are contrary to the Corps' requirements in the previous project! If there will be impacts, then I would request that any mitigation funds assessed be directed towards TLC's continued restoration and management of the Wonder Lake Sedge Meadow natural area that was protected as part of the Meadows of west Bay project. Due to the subdivision's failure, we are unlikely to ever have management funds from an HOA, so are challenged to secure funds each year to complete the basic management tasks that we committed to when we accepted the conservation easement and long-term management responsibility for that property.

MPOA Response # 41 - LAND CONSERVANCY OF MCHENRY COUNTY – Wetland Mitigation

The proposed Wonder Lake Restoration dredging plans were developed with the specific intention of avoiding and minimizing impacts to all isolated and jurisdictional wetlands. The proposed Sediment Drying Facility (SDF) will be constructed and operated without requiring any wetlands to be impacted, and buffer areas between project disturbance areas and wetlands will be created and maintained.

The pipeline that will route pumped sediment from Wonder Lake to the SDF will be temporarily laid on the ground surface for the duration of the sediment dredging operation, and be removed upon completion. The overall sediment pipeline route will traverse dedicated open space areas created within the Meadows of West Bay subdivision, and while running roughly parallel to Galt Creek, will not be located within, or impact, any wetland areas. The pipeline route is also located within a conservation and / or stormwater management easement held by the Village of Wonder Lake (VOWL). The only area where some minor, temporary wetland impacts may occur will be at the box culverts that route Galt Creek under West Wonder Lake Road, as part of routing the sediment pipeline through the culverts, or for the installation of some streambank stabilization at the outfall location where the clarified water leaving the SDF facility will flow into Galt Creek. The area of temporary wetland impacts for these locations is roughly estimated at less than 1,000 square feet (0.023 acre).

As a result, it is likely that little or no wetland mitigation may be required for the routing of the proposed pipeline or SDF outfall. In the event that any wetland mitigation is required under the U.S. Army Corps of Engineers permit, our first preference would be to perform enhancements within the Galt Creek Stream Corridor / VOWL Conservation Easement area, directly adjacent to where the "impact" would be occurring.

RICHARD & COLLEEN NELSON, WOODSTOCK, IL - Comments and Responses

Comment # 42 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – SDF Site Concerns

We are strongly opposed to the SDF site location. It is directly across the street from our home and property. The sludge containing contaminants from the lake bottom could create contamination of surrounding soils and groundwater, thus affecting our wells. Also, the odors from the sludge would reduce property values.

MPOA Response # 42 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – SDF Site Concerns

As a neighbor to the Village of Greenwood and its residents, the MPOA will adhere to ALL appropriate Federal State and local agency and government requirements. Preliminary project plans call for the most westerly base of the Sediment Dewatering Facility (SDF) to be set back roughly 75 to 200 feet east of Greenwood Road. Once constructed, all that will be visible from Greenwood Road or from other adjacent areas will be a grassed earthen berm, and the fence surrounding the SDF. The non-SDF portions of the property will continue to be used for agricultural production, in keeping with the rural nature of the area.

A review of McHenry County GIS Mapping, and the preliminary site plans, indicates that the closest edge of the proposed Sediment Drying Facility (SDF) will be roughly 300 feet northeast of your Greenwood Road frontage, and 700 feet east-northeast of your residence. Based on the prevailing southwesterly winds during summer, your property is located upwind of the project, greatly reducing the probability of any conceivable dust or odor issues.

As previously discussed in MPOA Response # 1 – CHERYL HAMMERAND, WONDER LAKE, IL – Contaminants, the lake sediments have already been extensively tested, with no indications of any contaminant issues that would prevent dredging or lead to groundwater issues. The IEPA will thoroughly review all issues related to air and water quality before deciding whether to issue their permit.

The lake restoration consulting firm has national experience with large-scale dredging operations, and odor problems are not typically an issue, even when done in much closer proximity to residential areas than what is proposed for Wonder Lake. As a local example, the most recent draw-down of Wonder Lake was conducted in the Fall of 2007, resulting in the water level of the lake being lowered four (4) feet below normal. This exposed most of the accumulated sediment in the West Bay of Wonder Lake to drying, exactly replicating the conditions that would be found in the proposed SDF. No odor complaints were received from any of the adjacent West Bay landowners.

The proposed restoration of Wonder Lake will only benefit local property values, even those without lake rights, or located outside of the Village of Wonder Lake.

Comment # 43 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – Roadway Impacts

Although we understand that most of the sludge will be pumped to the site, the portion that will be trucked in would destroy our roads. If the project proceeds, it is extremely important that the trucks use village roads to access the site. Greenwood Road was recently named a county “scenic road”. A sediment storage and de-watering facility is not the best use of a property that borders this scenic roadway.

MPOA Response # 43 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – Roadway Impacts

All sediment will be pumped to the SDF through a pipeline; none will be trucked. The only traffic that is proposed to access the SDF site from Greenwood Road is the construction equipment that will be delivered to construct the SDF facility from on-site materials (no proposed soil import / export). All site access issues to Greenwood Road will be handled through the McHenry County Division of Transportation. The rural, scenic nature of Greenwood Road is recognized and acknowledged, and all possible efforts will be made to make the proposed activity as unobtrusive as possible.

MR. ROBERT W. KOCH, WONDER LAKE, IL - Comment and Response

Comment # 44 - MR. ROBERT W. KOCH, WONDER LAKE, IL – Sediment Testing

As a lake front owner for 42 years, I am very concerned about what bacteria and chemicals will be unearthed with removal of top soil and sludge from the lake bottom. Some of those components may have lurked untouched for over 80 years. Who knows what can of worms we may unleash on the rest of the lake. This gravely concerns me for the safety of my grandchildren while swimming in the stirred up waters.

I think an unbiased analysis should be done first through out the entire lake to see what really lurks in the lake bottom. Over the years I have heard that it is not polluted and also that it is heavily polluted with petroleum products.

Comment # 44 - MR. ROBERT W. KOCH, WONDER LAKE, IL – Sediment Testing

As previously discussed in **MPOA Response # 1 – CHERYL HAMMERAND, WONDER LAKE, IL – Contaminants & MPOA Response # 11 - SUNRISE RIDGE ESTATES – Contaminants**, an extensive amounts of sediment analysis has already been conducted, along with review of the resulting data by a variety of engineering professionals; regulatory agencies; and natural resource agencies. None of these studies have indicated any potential health risk to lake users.

The MPOA has agreed to comply with any additional testing requirements imposed by the agencies reviewing the permits for the proposed project.

MR. MICHAEL KRZYSTON, WONDER LAKE, IL - Comments and Responses

Comment # 45 - MR. MICHAEL KRZYSTON, WONDER LAKE, IL – Sediment Safety

Nearly all the stated benefits of the proposed work have focused on the improved usability of the lake that dredging would provide. However, the greatest benefit typically overlooked is the SAFETY benefit. Currently the very high sediment levels especially in West Bay represents a significant safety hazard. Nearly every weekend we see boaters get completely stuck in the shallow waters of the West bay. To free their craft boater typically are forced to get out of their boat to push their craft to deeper water. The safety hazard posed by these efforts are several fold:

- 1) Typically boaters entering the water to free their boat do not wear their life vest, and upon pushing their craft into deeper water struggle to reenter their boat.*
- 2) On several occasions we have seen people (often young) in the water pulling/pushing their boat to deep water while the engine and propeller was still running.*
- 3) In certain parts of the West Bay near the mouth of the creek, the sediment literally is like quick sand. We have seen people (often young) get stuck chest/shoulder deep in the sediment muck. These individuals were either kayaking and entered the water when they got stuck or walking on the mud island near the Nippersink Creek mouth. On one occasion we needed to get a row boat out to a person who was stuck and could not free themselves. The quick-sand-like-sediment is deep enough to drown a person if they panicked. I challenge anyone on the review committee to walk/swim in certain areas near the mouth of the creek. Even an experienced swimmer can without warning quickly find themselves in a dangerous situation.*
- 4) Lastly, and least important from a safety point of view, is the untold property damage to propellers and engine water intakes.*

MPOA Response # 45 - MR. MICHAEL KRZYSTON, WONDER LAKE, IL – Sediment Safety

The above comment presents a strong argument for completion of the planned dredging project. His observations of the problem of sedimentation detail in real terms the responsibility of all property owners represented by the MPOA to support the project in an effort to reduce the known safety hazards and to enhance and protect our lake.

MASTER PROPERTY OWNERS ASSOCIATION, INC.
7602 Hancock Drive
Wonder Lake, Illinois 60097
815-653-4136

November 16th, 2011

Ms. Ellen Wrzeski
Superintendent of Schools
Woodstock Community Unit School District # 200
227 W. Judd Street
Woodstock, IL 60098

Re: MPOA Response to Comments Received From WCUSD #200 under the Public Notice for LRC-2010-00396 – Wonder Lake Dredging Project

Dear Ms. Wrzeski,

As detailed in the following documentation, please accept our responses to the questions raised in your November 7th, 2011 letter to the Wonder Lake Master Property Owners Association, regarding our proposed project, as referenced above. We appreciate your taking the time to consider the issues, and to generate a list of issues relative to Greenwood School.

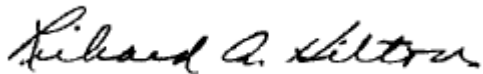
Please note that as you go through the attached information, we have reproduced the 11 comments you raised in your letter, and provided a response immediately following. We hope that the facts presented in our responses will be sufficient to address the concerns raised. Obviously, the health and safety of students attending Greenwood School, as well as all adjacent residents, is a critical concern to us. As such, we would be happy to meet with School District representatives if you feel additional clarification or detail is required.

In order to incorporate appropriate warranted modifications to the project we will also continue with our on-going outreach efforts. One of our goals is to make sure that all realistic concerns regarding the project are considered early in the process,. We would encourage you to periodically visit our website www.wlmpoa.org to view updates related to the project status.

The MPOA would also be happy to work with Greenwood School to see if educational opportunities with Greenwood School students can be generated and implemented as this critically needed environmental restoration project moves forward to implementation.

Please review the attached materials, and do not hesitate to contact me if you have any questions.

Sincerely yours,



Richard Hilton, President

Cc: Mr. Jason Eqqert, Principal, Greenwood Elementary School
Mr. Soren Hall, U.S. Army Corps of Engineers
Mr. Dean Krone, Hodges, Loizzi, Eisenhammer, Rodick & Kohn LLP
MPOA Officers & Directors, MPOA Subdivision Presidents
Village of Wonder Lake, President and Board of Trustees
McHenry County Board

MASTER PROPERTY OWNERS ASSOCIATION, INC.

**7602 Hancock Drive
Wonder Lake, Illinois 60097
815-653-4136
<http://www.wlmpoa.org>**

October 26, 2011

Ellyn Wrzeski
Superintendent of Schools
Woodstock Community School District 200
227 W. Judd Street
Woodstock, IL 60098

Subject: U.S. Army Corps of Engineers Public Comment, Wonder Lake, IL
Dredging Project

Dear Ms. Wrzeski,

The Master Property Owners Association for the Wonder Lake Area (MPOA) has applied for a permit from the U.S. Army Corps of Engineers to construct a sediment dewatering facility (SDF) on the westerly portion of a 120 acre site located in the Meadows of West Bay subdivision in Wonder Lake. The construction of the SDF is critical to our plans to dredge accumulated sediment from critical areas of our name-sake Lake.

With any large scale construction project, safety is obviously a critical design consideration. To prevent trespassing, the entire perimeter of the 50 acre SDF facility will be fenced off with a six foot high chain link fence, and access to the SDF will only be gained through locked gates. Construction of the SDF will likely take place during the summer construction season, and once the lake dredging begins, there will be no mechanized operations occurring within the SDF site. As the SDF site is located north (downwind) and roughly ¼ mile north of the school, no dust issues are anticipated.

However, due to the relative proximity of Greenwood School to the SDF site, in reviewing our regulatory permit application, the U.S. Army Corps of Engineers (USACE) has requested that the MPOA provide District 200 a thirty (30) day period in which to review and comment on our proposal. We are happy to comply with that request.

Attached is a copy of the USACE Public Notice that provides information related to our permit application. Please note that while the thirty day public comment period stated in the Public Notice has expired, we are more than willing to provide District 200 with another thirty days from the receipt of this letter to respond.

Please submit any comments direct to the USACE at the address shown below, per instructions found within their Public Notice.

U.S. Army Corps of Engineers
Chicago District, Regulatory Branch
Attn: LRC-2010-00396, Mr. Soren Hall
111 North Canal Street, 6th Floor
Chicago, Illinois 60606-7206

We would also request that you provide us with a copy of your comments as well.

Feel free to contact me should additional information be required and / or you would like to meet with us to discuss the details of our planned project.

Sincerely,

Richard A. Hilton, President

Cc: Mr. Jason Eqqert, Principal, Greenwood Elementary School, 4628 Greenwood Road,
Woodstock, IL 60098
Mr. Soren Hall, U.S. Army Corps of Engineers, 111 N. Canal St., 6th Floor,
Chicago, IL 60606-7206
Mr. Dean Krone, Hodges, Loizzi, Eisenhammer, Rodik & Kohn, LLP, 3030 salt Creek Ln.,
Suite 202, Arlington Hts., IL 60005



Monday, November 7, 2011

U.S. Army Corps of Engineers
Chicago District, Regulatory Branch
Attn: LRC-2010-00396
Mr. Soren Hall
111 North Canal Street, 6th Floor
Chicago, IL 60606-7206

Re: **Public Comment**
Wonder Lake, IL Dredging Project

Dear Mr. Hall:

Woodstock Community Unit School District 200 has received notification of the proposed construction of the sediment dewatering facility (SDF) on the westerly portion of the 120 acre site located in the Meadows of West Bay subdivision in Wonder Lake. This letter will serve as District 200's formal comments related to the proposed project. As you will see below, our comments are in the form of questions related to possible concerns that the district has in regard to the construction of said facility in such close proximity to one of our district's elementary schools (Greenwood Elementary School at 4618 Greenwood Road, Woodstock, IL 60098.)

The district's questions are as follows:

1. In the notification letter, you have stated that the construction phase would occur during the "summer construction season." Are you planning on the construction taking place during the summer of 2012 or some other date in the future?
 2. In the "Project Description," it states, "The proposal is for a 4-5 year operation." After the project is completed, what is the planned use for the 120 acre site (which includes the 50 acre sediment dewatering facility (SDF))?
 3. In the future, if the district had a need to expand based upon enrollment increases, what assurances can be provided that the land directly adjacent to the district's current property (the 120 acre site) would be a suitable site for the construction of a new school?
 4. What sediment testing (if any) have been undertaken to assess the level of contaminants in the sediment from Wonder Lake?
 5. If sediment testing for contaminants has been done, what are the results of such testing?
 6. What studies (if any) have been undertaken to determine the possibility of contaminants leaching into surrounding ground water supplies? (Greenwood Elementary School relies on a well system for its water supply.)
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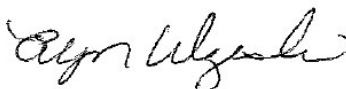
7. What does the Army Corp of Engineers anticipate in terms of any noxious odors emanating from the drying sediment?
8. What plans (if any) have been made to mitigate the impact of noxious odors emanating from the drying sediment?
9. What perimeter reinforcements to the actual sediment dewatering facility (SDF) will be included in the initial construction to insure total and permanent containment of the sediment that is relocated to the site?
10. How much truck traffic (if any) do you anticipate for hauling the sediment from the dredging site(s) to the sediment dewatering facility (SDF)?
11. During the months of August through May during the years of operation of the sediment dewatering facility (SDF), what plans are in place for the routing of all truck traffic associated with the project to insure the safety of the students attending district schools?

There are probably additional questions that we can't anticipate at the moment, but a response to each of these questions/concerns would be appreciated.

Thank you for your timely responses to our inquiries. If you require any additional information, please contact my office at 815-337-5406.

Sincerely,

Woodstock Community Unit
School District #200



Ellyn Wrzeski
Superintendent of Schools

Cc: Board of Education
Tony Topf, President, Village of Wonder Lake
Mr. Richard Hilton, President, M.P.O.A. of Wonder Lake
Hodges, Loizzi, Eisenhammer, Roddick and Kohn

WCUSD200 Comment # 1

In the notification letter, you have stated that the construction phase would occur during the “summer construction season.” Are you planning on the construction taking place during the summer of 2012 or some other date in the future?

MPOA Response # 1

Due to the amount of on-site earthwork involved in constructing the Sediment Drying Facility (SDF), it is assumed that it may take the majority of a typical “summer construction season” to complete construction and vegetative stabilization of the SDF. While the Wonder Lake MPOA is anxious to be able to start work in the summer of 2012, we are also still undergoing a very lengthy permit review timeframe. As such, we cannot accurately predict a start date until all of the required regulatory permits have been received; the contract work has been bid out; and contracts have been let. The MPOA will be happy to provide periodic updates as to the overall project schedule as we receive updated information.

WCUSD200 Comment # 2

In the “project Description,” it states, “The proposal is for a 4-5 year operation.” After the project is completed, what is the planned use for the 120 acre site (which includes the 50 acre sediment dewatering facility (SDF))?

MPOA Response # 2

The SDF will be built on a portion of Phase Two of the Meadows of West Bay as a “temporary” use under the existing Planned Unit Development (P.U.D.) zoning of the subject property. Future uses of the property may include additional dredging if a resale market for the dried sediment can be developed; the residential uses permitted under the P.U.D if the housing market recovers; or it may simply revert to its historical land use of row crop agriculture. Any future land uses will be largely based on the economic conditions at the time the proposed 4-5 year dredging phase is drawing to a close, and will be done in consultation with all applicable regulatory / governmental agencies, with ample notification to landowners in the vicinity of the SDF site.

WCUSD200 Comment # 3

In the future, if the District had a need to expand based upon enrollment increases, what assurances can be provided that the land directly adjacent to the district’s current property (the 120 acre site) would be suitable for the construction of a new school?

MPOA Response # 3

As a point of clarification, it should be noted that the MOWB - Phase Two parcel (where the SDF will be built) does not directly abut any portion of the Greenwood School parcel. A review of the McHenry County on-line GIS mapping <http://gis.mchenrycountygis.org/athena/> indicates that there are two parcels fronting on Greenwood Road, comprising 20 acres and owned by the Aavang Trust, that lie between the MOWB – Phase Two parcel, and the Greenwood School property.

The presence of these intervening Aavang Trust parcels creates a roughly 730 foot wide (north to south) buffer between the northerly-most Greenwood School property line and the southerly-most MOWB - Phase Two property line. An additional 40 acre Aavang Trust parcel is also found directly east of the current Greenwood School property, which combined with the Aavang Trust parcels fronting on Greenwood Road, create a 60 acre buffer zone around the existing Greenwood School property. It would seem that any future expansion of Greenwood School could be easily accommodated within this 60 acre buffer, regardless of any adjoining land use. Even so, based on numerous other dredging projects implemented by the MPOA lake restoration consultant, there is no conceivable outcome of the SDF facility that would affect a future expansion of the school, even if it were directly adjacent to the MOWB – Phase Two parcel.

WCUSD200 Comment # 4

What sediment testing (if any) have been undertaken to assess the level of contaminants in the sediment from Wonder Lake?

MPOA Response # 4

In brief summary, in consultation with our professional consultant, HDR Inc., the MPOA has conducted sediment testing in accordance with applicable regulatory sampling and analysis protocols over the last 16 years. As with any project of this scale, this is certainly an understandable question and concern that has also been raised by other parties responding to the U.S. Army Corps of Engineers (USACE) Public Notice for the project. Detailed responses to this question have been provided in the MPOA Public Comment Response Document already submitted to the USACE. Those responses have been excerpted from that document, and are included as an attachment to this correspondence.

Please refer to the following Responses:

Comment # 1 – CHERYL HAMMERAND, WONDER LAKE, IL - Contaminants

Comment # 11 - SUNRISE RIDGE ESTATES – Contaminants

Comment # 39 - JOHN E. LYND, WONDER LAKE, IL – Sediment Wind Disbursement

Comment # 40 - JOHN E. LYND, WONDER LAKE, IL – Lack of Information

WCUSD200 Comment # 5

If sediment testing for contaminants has been done, what are the results of such testing?

MPOA Response # 5

In brief summary, the sediment sampling that has been done to date has produced testing results that all fall within acceptable parameters to allow the dredging project to continue to our present design and permitting phase. No levels of contamination were detected that would prevent the dredging from being completed as proposed, and all sediment data results will have been submitted to the Illinois Environmental Protection Agency (IEPA). The MPOA has also committed to conduct any additional sediment testing required by the IEPA as part of their permit review process. Again, please refer to the attached Public Comment Responses identified in the preceding response.

WCUSD200 Comment # 6

What studies (if any) have been undertaken to determine the possibility of contaminants leaching into surrounding ground water supplies? (Greenwood Elementary School relies on a well system for its water supply.)

MPOA Response # 6

Soil borings of the proposed Sediment Drying Facility have already been collected and analyzed, and will be presented as supporting documentation, along with all existing sediment quality data, to the Illinois Environmental Protection Agency, the agency charged with reviewing ALL water quality implications of the proposed project, before issuing their permit authorizing the proposed project.

WCUSD200 Comment # 7

What does the Army Corps of Engineers anticipate in the terms of noxious odors emanating from the drying sediment?

MPOA Response # 7

While the question is directed at the Army Corps of Engineers, the MPOA addressed this concern in the MPOA Public Comment Response Document already submitted to the USACE. Greenwood School is also located roughly ¼ mile upwind of the proposed SDF site, further reducing the potential for any odor issues.

Please refer to the following Response:

Comment # 42 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – SDF Site Concerns

WCUSD200 Comment # 8

What plans (if any) have been made to mitigate the impact of noxious odors emanating from the drying sediment?

MPOA Response # 8

The MPOA lake restoration consultant has extensive national experience in designing and implementing lake dredging projects similar in scope to the Wonder Lake Dredging project. Odor issues, to a point where a “mitigation plan” was required or warranted, have not resulted, even in areas where Sediment Drying Facilities were located in close proximity to residential areas. As such, no mitigation plan has been prepared, or is proposed.

WCUSD200 Comment # 9

What perimeter reinforcements to the actual sediment dewatering facility (SDF) will be included in the initial construction to insure total and permanent containment of the sediment that is relocated to the site?

MPOA Response # 9

The proposed Sediment Drying Facility is a highly engineered, well designed structure that will undergo extensive engineering review by the Illinois Department of Natural Resources – Office of Water Resources (IDNR-OWR). This agency will not issue the required permit necessary to authorize construction of the SDF unless it meets their stringent design and permitting guidelines.

WCUSD200 Comment # 10

How much truck traffic (if any) do you anticipate for hauling the sediment from the dredging site(s) to the sediment dewatering facility (SDF)?

MPOA Response # 10

As proposed, all sediment will be pumped to the SDF through a pipeline; none will be trucked. The only traffic that is proposed to access the SDF site from Greenwood Road is the construction equipment that will be delivered to construct the SDF facility from on-site materials (no proposed soil import / export).

Please refer to the following Response:

Comment # 43 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – Roadway Impacts

WCUSD200 Comment # 11

During the months of August through May during the years of operation of the sediment dewatering facility (SDF), what plans are in place for the routing of all truck traffic associated with the project to insure the safety of the students attending district schools?

MPOA Response # 11

Please see previous response.

**Applicable Copies of MPOA Responses
to Public Comments Received**

CHERYL HAMMERAND Comment & Response

Comment # 1 – CHERYL HAMMERAND, WONDER LAKE, IL - Contaminants

In 1984 and in August 2006 two different studies of the silt in the West Bay area to be dredged, using US EPA standards, significant contaminants have been found. According to IL EPA opinion, this material is chemically entrained in the silt – but if dredged and exposed to the oxygen in the air, would then be a hazard to the environment in which it is stored.

MPOA Response # 1 – CHERYL HAMMERAND, WONDER LAKE, IL – Contaminants

It is uncertain as to why some local residents and certain elected community leaders would try to paint their own community and namesake lake in a negative light, or attempt to drive the costs of a critically needed, landowner funded, project any higher. Unfortunately, this comment is representative of a small contingent of the Wonder Lake Community who are opposed to any restoration of Wonder Lake, and who continue to raise unfounded fears of polluted lakebed sediment, without having any facts, peer reviewed data, substantiated opinions, or reports to back up their statements.

Whenever these allegations have been raised in the past, the MPOA has encouraged those parties to provide them with a copy of their information so that it could be reviewed, but no such information has ever been provided to the MPOA. All that can be (and has been) done is for the MPOA to once again refute these false allegations, and to present factual information to support their position.

The following is a summation of information formerly presented to the Wonder Lake community at numerous monthly MPOA Director's meetings; Open Houses held by the MPOA; the MPOA website; the Northwest Herald newspaper; and personal communications with those who contacted the MPOA directly expressing concerns about sediment quality.

Sediment Quality Testing

As referenced in the comment, three (3) sediment samples were collected in the West Bay in 1984, as part of a Depth and Sediment Study commissioned by the MPOA. In that study, sediment samples were analyzed for Copper, Lead, Zinc, Cadmium, and Iron. The 1984 report identified that:

The heavy metals from the west bay sediments fall fairly close to the mean values for 63 Illinois lakes. Copper and cadmium are elevated slightly above the mean values.

Whether the quality of the sediment meets the requirement as fill materials, will ultimately have to be determined by the Illinois Environmental Protection Agency, however this background information will be helpful in making that determination.

It should also be noted that the IEPA study that determined the mean value data for the 63 lakes (referenced in the 1984 study) indicated that:

The ranges of concentrations and resultant groupings for each constituent are based upon statistical comparisons of 273 individual sediment samples collected from 63 Illinois Lakes in the summer of 1979.

These classifications are meant only for relative comparison of lake sediment nutrients, metals, and organics; they do not reflect safe or unsafe levels.

As part of the 16+ year effort to restore Wonder Lake, the MPOA has retained a nationally recognized engineering firm, HDR, Inc. to serve as the MPOA lake restoration consultant. Their experience involves numerous dredging and water resource related projects across the United States, in which they performed feasibility analysis, design, regulatory permitting, and oversight duties.

At the direction of the MPOA, in 2001, and again in 2006, HDR collected sediment samples from Wonder Lake, and had the samples analyzed by a state approved laboratory. A full suite of tests was conducted, looking for the chemical constituents most frequently encountered in Illinois lakes, or that could pose regulatory issues. Among others, these constituents included chromium, mercury, nickel, and silver. **The results of that sediment testing confirmed that there were no elevated concentrations of regulated contaminants present, and that placement of dredged sediment should not be restricted during the regulatory permitting process.** The results of that testing were presented in *An Updated Feasibility Study and Restoration Plan for Wonder Lake*, produced by HDR in January 2007.

To help place the Wonder Lake results in context with results encountered on other Illinois lakes, HDR also compared the Wonder Lake sediment analysis results to a sediment classification protocol produced in a 1996 Illinois Environmental Protection Agency (IEPA) report entitled: *Sediment Classifications for Inland Illinois Lakes*. In this IEPA study, the pollutant levels encountered in 1,876 sediment samples taken from 307 lakes across the State of Illinois from 1977 to 1994 were reviewed and compared.

Based upon these findings, and the frequency and occurrence of pollutants being encountered, the IEPA established a comparative value system to classify pollutant levels as encountered in any given sediment sample, as being “low”, “normal”, “elevated”, or “highly elevated”. **These IEPA “levels” are comparative values, and have no regulatory status whatsoever**, as indicated in the following excerpt from the IEPA report:

Simply stated, just because a sediment sample may be classified as “highly elevated” does not mean that it is at a level that would signify a need for concern, exceed a regulatory standard, or pose a risk. The intent of this IEPA classification is simply to identify when additional sediment analysis should be performed, because, relatively speaking, the pollutant levels are higher than the norm.

To further ensure that no “elevated” or “highly elevated” levels for heavy metals exist, additional testing, such as the Toxicity Characteristic Leaching Test (TCLP), should be performed. This is the IEPA mandated test to determine compliance with an actual regulatory standard. This is why for the 2006 Wonder Lake sediment samples, TCLP testing was performed for chromium and mercury, which resulted in chromium and mercury levels **an order of magnitude or more** below the actual State regulatory threshold.

Based upon these results, and their professional judgment, HDR determined that TCLP testing would not be warranted on Nickel and Silver. Given that analysis, and the lack of any substantiated past evidence or indicators of pollutant contamination of Wonder Lake or Nippersink Creek from any reputable source, HDR concluded that there are no chemical / heavy metal parameters in Wonder Lake sediment that would exceed an IEPA regulatory threshold, and that no problems in obtaining the proper water quality related regulatory permits for Wonder Lake dredging would be anticipated or expected. All of this information was summarized in a Northwest Herald article printed on March 16th, 2008.

All of the available sediment data has been made available to HDR, and to the IEPA. Under any circumstance, as part of the overall permit review process, the MPOA has committed to conducting any additional sediment sampling required by the Illinois Environmental Protection Agency for their review and consideration. The IEPA will review all aspects of the sediment issue, to ensure that there will be no adverse impacts to surface water or groundwater; that there will be no dust issues associated with the Sediment Drying Facility; and that all appropriate safeguards are incorporated into the permit they would issue to authorize the dredging operation.

Comment # 11 - SUNRISE RIDGE ESTATES – Contaminants

In addition to our objection which makes the circumference of the lake larger, we (along with many others) are concerned with contaminants and toxic metals that were discharged as waste by an electroplating plant called Woodstock Die Cast located in Woodstock, Ill (the factory was torn down about 20 years ago and the grounds were considered contaminated for a long time) Toxic waste from this electroplating factory was dumped into the Nippersink Creek (the water source of Wonder Lake). Much of this heavy metal waste found its way into Wonder Lake's West Bay. There was a report issued many years ago that provided documentation and graphs showing various percentages of heavy metals and contaminants within the sediment. This report concluded that dredging would pose many potential problems. Will this dredging compromise wells and drinking water since most people have their own wells for access to water? Could this dredging create a health problem and, in general, pose problems regarding the needs and welfare of the people (a concern) that is shown within your document)? Are there still septic systems draining into the lake? – when was the last study done? Findings showed testing back in the '80's early 90's. Could this dredging possibly result in future lawsuits?

MPOA Response # 11 - SUNRISE RIDGE ESTATES – Contaminants

Again, the dredging will not “make the circumference of the lake larger”.

It is impossible to respond to allegations attributed to a nameless report. It is certainly acknowledged that Woodstock, Illinois hosted a variety of industrial operations over the last 150 years, and that prior to the onset of environmental regulations, a variety of ill-advised activities potentially occurred in Woodstock, as well as across the rest of the United States. However, the Woodstock Die Cast factory was formerly situated near downtown Woodstock, approximately 0.6 miles away from Silver Creek (a Nippersink Creek tributary), and by stream-mile, approximately 9 miles upstream of the West Bay of Wonder Lake.

Over the last 20 years or so, the MPOA has been working with:

- our current environmental consultant, HDR, to collect numerous in-lake sediment samples and have those samples analyzed for contaminants in accordance with state / federal testing protocols.
- the U.S. Geological Survey to investigate in-lake and watershed issues.
- the Illinois Environmental Protection Agency (IEPA) to look at in-lake and watershed issues.

None of these professional / agency interactions ever identified any evidence of any in-lake sediment contamination issues that would pose an impediment to dredging or identified any problems in those portions of Nippersink Creek / Silver Creek between Woodstock & Wonder Lake; or in adjacent areas of Woodstock.

It is our understanding that the major environmental issues associated with the “closing” of the Woodstock Die Cast factory in the early 2000's dealt with localized groundwater issues and asbestos in the demolition process, and it is understood that a “No Further Remediation” Letter was issued. No reference to any associated off-site pollution / contaminant issues, or required remediation activities that would affect Nippersink Creek or Wonder Lake, could be found in on-line files.

The MPOA is certainly supportive of SUNRISE RIDGE ESTATES (and other Wonder Lake subdivisions providing PN comments) recognizing the need to begin addressing potential local impacts to Wonder Lake, including septic system failures, even though they have no connection to / bearing on the proposed dredging operation. Over the last few years, the MPOA has funded the routine collection of water quality samples, using the MPOA Lake Manager as well as the McHenry County Department of Health (MCDH), to hopefully identify areas where e.coli bacterial levels may be excessive. However, the regulation of on-site septic systems is strictly a function of the MCDH, and anyone having concerns about, or knowledge of failing septic systems should direct them to that agency. The MPOA also shares the concerns of SUNRISE RIDGE ESTATES regarding any impacts to groundwater / drinking water supply concerns, and will adhere to any permit requirements mandated by the IEPA in their review / approval of their Section 401 Water Quality Permit.

Comment # 39 - JOHN E. LYND, WONDER LAKE, IL – Sediment Wind Disbursement

In this letter I brought up wind disbursement of the mined material from the lake bed. In my opinion due diligent's has not been given to this topic. It is a fact that some toxins are in this material, and as a Sediment Storage and De watering Facility is adjacent to a Elementary School it would be prudent to ask for all of the information on core samples taken. It may also be prudent to collect more core samples and have them annualized. I am sure that all parties would agree that the health and safety of the children that attend Greenwood Elementary School should be taken seriously. The extra time and expense are definitely in the best interest of the Community.

MPOA Response # 39 - JOHN E. LYND, WONDER LAKE, IL – Sediment Wind Disbursement

Again, all sediment core samples collected to date have been made available to the IEPA as part of their permit review, and the MPOA has agreed to collect and submit any additional core samples the IEPA deems appropriate. For Mr. Lynd to suggest that the MPOA does not have the best interests of the overall Wonder Lake community at heart is regrettable.

Wonder Lake Restoration Project – Official MPOA Response to Comments Received under LRC-2010-00396 Public Notice

Comment # 40 - JOHN E. LYND, WONDER LAKE, IL – Lack of Information

I will say as a public official I have not been given any of the information regarding the toxicity of the core samples, and my concerns lay primarily with this.

MPOA Response # 40 - JOHN E. LYND, WONDER LAKE, IL – Lack of Information

The primary reason that Mr. Lynd has never requested any information on any issue related to the core samples, is that he never requested access to such information. The simple answer to his comment is that the results of the past 16 years of certified sediment testing, and on-going discussions with IEPA staff, have not revealed any sediment-related issue that would prevent the lake restoration project from moving forward.

More importantly, Mr. Lynd should recognize that the Village of Wonder Lake retains a highly qualified engineering firm, Manhard and Associates, Inc. as the Village engineers, and that they are perfectly capable of providing an unbiased evaluation of all of the pending permit applications, sediment data, and proposed engineering plans to ensure that the Village of Wonder Lake as well as all area residents are adequately protected from adverse impacts from the proposed project.

RICHARD & COLLEEN NELSON, WOODSTOCK, IL - Comments and Responses

Comment # 42 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – SDF Site Concerns

We are strongly opposed to the SDF site location. It is directly across the street from our home and property. The sludge containing contaminants from the lake bottom could create contamination of surrounding soils and groundwater, thus affecting our wells. Also, the odors from the sludge would reduce property values.

MPOA Response # 42 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – SDF Site Concerns

As a neighbor to the Village of Greenwood and its residents, the MPOA will adhere to ALL appropriate Federal State and local agency and government requirements. Preliminary project plans call for the most westerly base of the Sediment Dewatering Facility (SDF) to be set back roughly 75 to 200 feet east of Greenwood Road. Once constructed, all that will be visible from Greenwood Road or from other adjacent areas will be a grassed earthen berm, and the fence surrounding the SDF. The non-SDF portions of the property will continue to be used for agricultural production, in keeping with the rural nature of the area.

A review of McHenry County GIS Mapping, and the preliminary site plans, indicates that the closest edge of the proposed Sediment Drying Facility (SDF) will be roughly 300 feet northeast of your Greenwood Road frontage, and 700 feet east-northeast of your residence. Based on the prevailing southwesterly winds during summer, your property is located upwind of the project, greatly reducing the probability of any conceivable dust or odor issues.

As previously discussed in MPOA Response # 1 – CHERYL HAMMERAND, WONDER LAKE, IL – Contaminants, the lake sediments have already been extensively tested, with no indications of any contaminant issues that would prevent dredging or lead to groundwater issues. The IEPA will thoroughly review all issues related to air and water quality before deciding whether to issue their permit.

The lake restoration consulting firm has national experience with large-scale dredging operations, and odor problems are not typically an issue, even when done in much closer proximity to residential areas than what is proposed for Wonder Lake. As a local example, the most recent draw-down of Wonder Lake was conducted in the Fall of 2007, resulting in the water level of the lake being lowered four (4) feet below normal. This exposed most of the accumulated sediment in the West Bay of Wonder Lake to drying, exactly replicating the conditions that would be found in the proposed SDF. No odor complaints were received from any of the adjacent West Bay landowners.

The proposed restoration of Wonder Lake will only benefit local property values, even those without lake rights, or located outside of the Village of Wonder Lake.

Comment # 43 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – Roadway Impacts

Although we understand that most of the sludge will be pumped to the site, the portion that will be trucked in would destroy our roads. If the project proceeds, it is extremely important that the trucks use village roads to access the site. Greenwood Road was recently named a county “scenic road”. A sediment storage and de-watering facility is not the best use of a property that borders this scenic roadway.

MPOA Response # 43 - RICHARD & COLLEEN NELSON, WOODSTOCK, IL – Roadway Impacts

All sediment will be pumped to the SDF through a pipeline; none will be trucked. The only traffic that is proposed to access the SDF site from Greenwood Road is the construction equipment that will be delivered to construct the SDF facility from on-site materials (no proposed soil import / export). All site access issues to Greenwood Road will be handled through the McHenry County Division of Transportation. The rural, scenic nature of Greenwood Road is recognized and acknowledged, and all possible efforts will be made to make the proposed activity as unobtrusive as possible.

MR. ROBERT W. KOCH, WONDER LAKE, IL - Comment and Response

Comment # 44 - MR. ROBERT W. KOCH, WONDER LAKE, IL – Sediment Testing

As a lake front owner for 42 years, I am very concerned about what bacteria and chemicals will be unearthed with removal of top soil and sludge from the lake bottom. Some of those components may have lurked untouched for over 80 years. Who knows what can of worms we may unleash on the rest of the lake. This gravely concerns me for the safety of my grandchildren while swimming in the stirred up waters.

I think an unbiased analysis should be done first through out the entire lake to see what really lurks in the lake bottom. Over the years I have heard that it is not polluted and also that it is heavily polluted with petroleum products.

Comment # 44 - MR. ROBERT W. KOCH, WONDER LAKE, IL – Sediment Testing

As previously discussed in **MPOA Response # 1 – CHERYL HAMMERAND, WONDER LAKE, IL – Contaminants** & **MPOA Response # 11 - SUNRISE RIDGE ESTATES – Contaminants**, an extensive amounts of sediment analysis has already been conducted, along with review of the resulting data by a variety of engineering professionals; regulatory agencies; and natural resource agencies. None of these studies have indicated any potential health risk to lake users.

The MPOA has agreed to comply with any additional testing requirements imposed by the agencies reviewing the permits for the proposed project.

Sealed bids will be received at the office of the Wonder Lake Master Property Owners Association (MPOA), 7602 Hancock Drive, until 2:00 p.m., August 6, 2013 for the Wonder Lake Restoration Project – Sediment Dewatering Facility Construction. Bids will be opened publicly and read aloud at 2:05 p.m., August 6, 2013 at the MPOA office. All Bidders are strongly encouraged to attend the Pre-Bid Meeting noted below.

TITLE: Wonder Lake Restoration Project – Sediment Dewatering Facility Construction

LOCATION: Wonder Lake, Illinois

COUNTY: McHenry

PROJECT DESCRIPTION: This project includes all labor and equipment necessary to construct two earthen impoundments for the storage and dewatering of sediment to be removed from Wonder Lake by hydraulic dredging. The dredge pipe deployment between Wonder Lake and Cell #1 of the Sediment Dewatering Facility is not part of this contract. However, the sediment dewatering facility construction and the drain line installation from Cell #1 and Cell #2 is included in this contract.

Obtain Plans From: Plans will be available starting Wednesday, July 17 at 9:00 AM at the Wonder Lake MPOA, 7602 Hancock Drive, Wonder Lake, IL 60097 (815) 653-4136
Office Hours Monday - Friday 9:00 AM to 12:00 PM & 12:45 PM to 3:00 PM

Non-Refundable Plan Deposit: A \$40.00 plan deposit is required if plans are picked up, or \$50 if mailed.

Pre-Bid Meeting: A non-mandatory Pre-Bid Meeting will be held at the Wonder Lake MPOA office at 1:00 p.m. on Tuesday, July 23, 2013. All potential bidders are strongly encouraged to attend the pre-bid meeting. No relief should be granted to the successful bidder (i.e. extension of schedule or increase in the contract sum) for failure to consider any fact or information that may have been available at the pre-bid meeting.

INFORMATION TO BIDDERS:

Until the bids have been opened, plans and specifications thereof shall be on file in the office of the MPOA, Wonder Lake, Illinois, subject to the inspection of all parties desiring to bid. The MPOA reserves the right to waive any irregularities in the bids and to reject any and all bids or to award the contract to the lowest responsible bidder, as determined by the Owner. This Sediment Dewatering Facility to be used for storing and dewatering the dredged sediment is classified and permitted as a small, high hazard dam by Illinois DNR. All Prime bidders must be qualified and experienced with constructing similar earthen impoundment projects and must provide documentation of successful completion of a minimum of three projects of similar size and scope with their bid to be considered as an approved bidder as required in the Project Manual. The MPOA has applied for the necessary permits for completion of the work.

Bids shall be submitted in sealed envelopes marked "Bid for Sediment Dewatering Facility- Wonder Lake". An accompanying bid bond shall be equal to 5% of the total bid price. This may be in the form of a certified check, cashier's check, bank draft or bid bond payable to the Owner.

Prevailing wages shall be paid on the project.