

Minutes of Lake Lorman Board of Directors Meeting June 15, 2009

The meeting was called to order by Jim Watts, President. All Directors were present along with 35 Lot Owners.

The first item of business was a Motion to dispense with the reading of the Minutes of the last meeting, because the Minutes were approved by the Directors via email, are sent by email to lot owners, and are available at the Clubhouse Box for members without email. The motion passed.

Communications Report Barbara McDonald reported that she is reminding via email each weekend any news and encouraging safety and courtesy on the water instead of publishing newsletters.

Clubhouse Report The President announced that this year there will be no Lake Association officially sponsored Fourth of July Picnic or event due to no offers by anyone to take over this responsibility. It was announced by Bill Cox that Shirley Grace had a request from a Lot Owner to use the Clubhouse on the 4th, and this use was approved.

Bill Cox reported that it was his opinion that the Board's decision in January to temporarily stop the rental cost of \$75 for the Clubhouse was working well. Shirley Grace has reported no damage or problems and that usage has increased. We still require the damage deposit for all use. Cox said that the Clubhouse is cleaned after uses, but that twice a year it needs a thorough scrubbing, mopping and cleaning in the bathrooms and kitchen and the windows need washing inside and out. This will cost about \$200 per year. It is imperative, Cox said, for the Lake to care for this beautiful new Clubhouse and it would be wise to have a "rainy day" fund dedicated to the Clubhouse repairs and cleaning. Several Members present offered ideas, and the Board will continue to evaluate the idea of re-instituting some kind of charge for use for a reception, a party or private event, while considering the use for free by Church groups as before. At this time the insurance on the Clubhouse and utilities are taken from the annual maintenance fees of Lot Owners. The question is if this is the best way to care for our Clubhouse. The Board will appreciate all input in writing and will consider all ideas.

Lake Report Craig Lang gave an update on the status of our dam. Since the dam in Hattiesburg failed some years ago, the safety of all Mississippi dams, including Lake Lorman, have come under close scrutiny by DEQ. Craig said that each year we must submit to DEQ an annual Survey and Report and every five years we must have a professional engineering company submit a report to DEQ on our dam. Craig said the dam had no defects or problems that we know of, but we have to make these reports.

Jim reminded everyone that the Critter Catchers were still at work looking for varmints

and nutria. There was a question about a beaver or nutria having tunneled into the Little Lake dam, and this will be investigated.

Craig announced that fishermen should not throw small fish back into the lake, especially small Bass under 17 inches long. The problem at this time is too many small Bass, and the larger Bass are encouraged to be kept for spawning purposes.

Several Lot Owners expressed concern about boats leaving wake which damages our seawalls. The definition of "No Wake" means "dead slow" idle and not leaving waves, just creeping along as long as your boat is within the white buoys. It was pointed out that inside the buoys there are brush piles underwater for fish, and this area was to be avoided for safety.

Roads and Streets Woody Nance reported that the shoulder work anticipated and approved last December in the Budget had been concluded by the Contractor, Trotti. The Board approved the work and authorized payment.

Woody reported a pothole problem on Westline Drive caused by a Bobcat machine. The pothole was small at first, and as the Board considered how to charge this damage and investigated the matter, the pothole grew from a \$600 pothole to a \$900 repair. The Board authorized payment for the repair.

Bill Cox explained how the Board is constantly confronted by such emergencies and the necessity to act promptly to contract and pay for such work all over the Lake. There is no By-Law or Covenant or Rule by which your Board is required to delay such decisions and payments until there is a formal meeting called and noticed. In fact the By-Laws allow such to be done as needed from time to time. Historically, however, it has been an informal practice for Boards to delay such matters until a formal, noticed meeting. Under "new business" tonight this will be presented by a Resolution so this Board and future Boards can better tend to the business of the Lake, always reporting and accounting for all such matters in formal meetings and in its Minutes. Action on this was deferred for "new business."

Treasurer's Report Jim Watts reported that the finances were in good shape and that Margie Abel has been a great help and service to the Board and the Lake Lorman community. Most of the annual maintenance fees have been paid. Jim Watts will contact those who have not paid. The Board is considering the employment of a Madison County lawyer to file Lien Notices on behalf of the Lake Lorman Lot owners who pay their dues in full and on time. The Board has not yet made any firm decision; however, this will be addressed soon and the Lot Owners notified. We wish to make every attempt to encourage payment without such legal action.

President's Report Jim Watts expressed thanks to all those who have followed the rules, the Covenants and the Boating Rules, but expressed the Board's concern over a few who fail, intentionally or unintentionally, to obey or follow them. Jim reminded the Lot Owners that the Board does not make the rules, the rules are made by the Lot

Owners but it is the Board's job to enforce those rules equally and as to all. Jim reported that in most cases, allegations of breaking the rules, particularly Boating Rules are reported to him. Jim cannot enforce the rules or give a personal immediate ruling; he is required by the Board to simply get the information then pass it along to the full Board and the Board then makes all decisions. Jim Watts as President cannot and is not allowed to act alone in such cases. Further review was moved to new business.

Covenants Bill Brabec reported on the status of By-Laws and Covenants. Bill expressed the Board's concern that many Covenants were subject to different interpretations ending up with different conclusions among Board members and Lot Owners and that this Board is going to attempt to clarify any ambiguity in the wording so that there will be less chance for misunderstanding in the future which will benefit the Lot Owners and preserve our values. The Board will present in September a list of those changes, and in December we will have a Ballot for changes with each change to be voted on alone, yes or no. If the Board is not in full accord on issues, the Board members supporting or opposing the issue will be given the right to present in writing ahead of the December meeting the reasons for or against, so the Lot Owners can judge for themselves the merits of each dispute as to each issue to be voted on. This way the Board believes the Lot Owners can better be informed and decide for themselves the merit of each issue on the Ballot.

The difference in width of piers was discussed, the current Covenants allowing the width of a pier to be 4 feet. The Board has recently approved 5- foot widths because of the change in the pier supports changing from 4 inches square to 6 inches square, and the majority of the Board has voted to measure width between the pier supports. Also the dimensions and design of boathouses have raised issues. Another issue raised by a Lot Owner related to adjacent lots where the width of the lot at the waterline is less than at the rear, or a "pie shaped" lot with the small end toward the water. In this situation it was brought out that no pier should be permitted so as to cross the imaginary extended lot line out into the water. In other words, no pier should be permitted which goes across in front of the adjacent lot frontage on the lake. These are three of the issues of Covenants and By laws that may be presented to the Lot Owners for vote in December.

One issue was raised about a trespass of rainwater runoff across a lot, and the Board advised that the Board had no jurisdiction to resolve this legal dispute between neighbors.

As to renting and leasing of lots, the Board advised that it was preparing to investigate into all "grandfathered" rentals or leases so as to validate the claims under the Covenants. When the anti-rental Covenant was voted on and passed a few years ago, any then-current leases or rentals were permitted or "grandfathered." The Board seeks to verify the validity of all such leases or rentals.

There being no old business, the President called for new business.

New Business The first item was an explanation by Bill Cox that the Board this year

has had many meetings and conferences by phone, email, and in person in an attempt to keep up with the huge agenda of business. The Board has had to react to needs with street and road repairs and other matters including new piers, boathouses and renovation/building on virtually a weekly basis. When the Board determines a need to be immediate it needs to study, investigate and find a solution, make a contract after getting bids, inspect the work then pay the contractor or servicing person. If it is a construction project the Lot Owner has a window of opportunity to lock in material costs and to employ the Contractor, and the Board is forced to grant approvals without waiting for a monthly meeting or a called public meeting. There is no By Law or Covenant or Rule that requires the Board of Lake Lorman to only approve of or pay for such type work, or approve of construction at a "called meeting" where the Lot Owners must be notified in advance. However over the years, past Boards have from time to time delayed or tried to delay such events for a "formal called meeting" when Lot Owners are present. This has proved difficult in the past 2 years and especially this current year, and is a subject that the Board needs to address. The Board needs to exercise the rights it has under the Rules, By laws and Covenants to handle such matters promptly and in its best judgment immediately often. This Board always fully discloses and reports to the Lot Owners as soon as practical what action or payment it has taken or made. Cox presented his Motion which was amended by Jim Watts and the following Resolution was discussed, statements of approval were made from some of the Lot Owners in attendance, and ultimately was unanimously approved:

Although the Board attempts to conduct business through meetings open to the lot owners, it is not required to do so under the By laws or Covenants of the Corporation. At times it is deemed efficient and reasonably necessary for the Board to hold other meetings as permitted by the By laws and the laws of the State of Mississippi when time is of the essence in, for instance and not as a limitation, the granting a contract or approving of construction. Upon a vote of 2/3 majority [The Board has 6 members, the President only votes in case of a tie, so 3 votes gives this majority] Board by voice vote or written consent binding action can be taken by the Board, provided however that the Board shall in such cases notify the Lot Owners by email or in its Minutes so that the work and actions of the Board remain open and transparent on all such matters.

The next matter of business was safety on the lakes, and was unanimously passed:

The Board Members are not the safety enforcement for our rules of the lake. Reports of violations should be made to the Board in writing ultimately, with a photo of the offending boat when possible, a description in detail of what happened, registration numbers, description of the driver and the boat if no numbers are available or seen. Examples of this are pulling a skier or tube without a safety observer in the boat [also a violation of Mississippi Law], alcohol, speed, direction or manner of use, audible vulgarity or profanity, lack of a Lake Lorman Sticker [orange with the lot number] or specific violations of any of our Safety Rules of the Lakes, which were presented this year when keys and stickers were issued. The Board will review this situation, investigate further as

needed, then an emailed report with all details will be sent around to all Lot Owners, and law enforcement involved as applicable.

Landfill Proposal Bill Cox had been asked by the Board to get information on a proposal to build a landfill in the area. Several Board members and Lot Owners made comments. The Lot Owners need to send to the Engineers in Vicksburg any objections and request for an open and public Hearing. More information on this will be provided as we get information.

Vacant Lot with concrete slab This situation was reviewed and discussed. Because this may lead to litigation, no details will be covered in these Minutes. The Board will proceed as needed.

Red Flag and No Wake Because the cost of a separate flag pole is prohibitive at this point, the red flag will be flown on the main flagpole, around half staff, well below the Mississippi Flag so from a distance it will be clear that the red flag is up. The red flag means that all boats will leave no wake or no waves behind the boat anywhere on the lake. This means idle speed, just in forward gear, absolutely dead slow. The reason for this is that waves are tearing up seawalls and causing damage to our property.

There being no further business it was voted to adjourn.

Bill Cox