

LAKE LORMAN DIRECTORS MINUTES MAY 2011

May 16, 2011

The meeting was called to order by President Antoon at 6:09 and all directors were found present and voting except Larry Foote who was unavoidably called out of town and could not be present. In addition, 12 Lot Owners were present. It was determined that the meeting had been properly noticed and publicized, and that the Minutes for April had been posted on the Lake Lorman website and otherwise emailed, so the reading of those minutes was dispensed with as unnecessary and the Minutes were approved. The Secretary also had printed copies of those minutes for distribution but all in attendance indicated they had already read the minutes for April.

Communications Judy, as Chairman of this committee distributed copies of the Membership List she has been working on. She was thanked for this work.

Treasurer Lucky made a financial report and stated that as to the Annual Maintenance Charges, all Lot Owners had paid except for 11 lots with a total due and owing and unpaid of \$6,180.00.

Streets Mike reported that the new contractor for grounds and landscaping and mowing, Best, has been performing his work very well. Several Lot Owners expressed their appreciation of the work Best has done including the gates, the dam and Little Lake, the Clubhouse grounds, Westline Drive and other areas. There was a discussion of the bidding process and all Lot Owners were invited to inspect all bids and to ask questions as to the decision of the Board, following which there was an expression by all as to the fairness in the process.

There was a brief discussion of Coker Road and whether we can get the County through a new Supervisor to clean the ditches and culverts.

Lake In Larry's absence, Mike read from a Lot Owner's report of a pontoon boat being operated contrary to our Lake Rules, in that it was running in a clockwise direction, had no safety observer and was pulling skiers or tubing, and at the same time 4 other boats pulling skiers were operating, all making a potentially dangerous situation. The pontoon boat may not have had a current legible boating sticker. It was discussed that the Mississippi Boating Safety Regulations govern Lake Lorman and that if such violations of those Regulations or our own Rules are observed, anyone has the right to courteously stop or signal and point out the violations. If this is not possible or if the boater does not stop, we should call the Sheriff. Larry knows about this and will follow up on his return.

A report of a missing or stolen 4x8 green fiberglass boat was received and following a full discussion, Malcolm indicated that he had seen a boat like this, loose and drifting back and forth on the lake with the wind and that it might be located in a cove, available for the owner.

Issues of trash or garbage left on the ground or placed in an uncovered garbage can were discussed. The problem seems to have been corrected following notification to contractors in the area of Lakeshore Drive.

Two boathouse issues, that of West's construction and McCraw's renovation and roof were discussed. Both were approved. All Lot Owners are reminded that the Board must approve all construction or renovation and a map or plat of the dimensions of the building or boathouse, [width, length, height] are necessary as are all lot lines and the lake boundary or shoreline. A side view and a vertical view are needed so we can understand the project and compare it to the Covenants. To avoid delay with your project please provide the Board at the very beginning, such a map or plat. It need not be to exact scale, but must be reasonably accurate on locations and dimensions and setback. Without this, your project will necessarily be delayed pending receipt and study by the Board of this. The Covenants require the Board to require this.

The matter of "shocking the lake" using electric current to examine or test the health and condition of the fish population is under examination by Larry and reports will be given. The issue of a follow up fish fry was brought up. If a fish fry is conducted at the Clubhouse, all are reminded that no cooking or frying is allowed on the wood deck, but this must be done on the paving outside regardless of weather. The reason is to preserve and protect our new Clubhouse decking.

Unpaid Annual Maintenance Charges Bill Cox pointed out that our Covenants which are recorded on the land records of Madison County and which therefore affect and control all lots at Lake Lorman, state in Section 1, Paragraphs B and D that each year the Lot Owners at the December meeting vote to approve the Charges. Such Charges are a legal "lien" on the lot and are a personal obligation or debt of the Lot Owner. "Lien" [sometimes pronounced 'lean'] is a legal word meaning a charge or debt against the land that can be recorded on the land records for notice to any proposed purchaser of that Lot if the lien or charge has not been paid at the time of a sale of the lot. The Covenants in Paragraph B and D provide that the lien is recoverable with interest plus "cost of collection" plus "reasonable attorney fees and expenses and the maximum interest rate allowed by law." Per hour cost estimates for attorney fees may be around \$175-200. These Covenants show that from the beginning, Lake Lorman has seen the importance of all such maintenance charges being paid and the payment enforceable by legal process. The Covenants are recorded in Book 2127 at pages 0842 and following in the office of the Madison County Chancery Clerk's Land Records. The Covenants are also available on the Lake Lorman website, available to all.

There was a discussion about the result of certain Lot Owners not paying their fair share or annual charge and how that impacts other Lot Owners by reducing the services we are able to offer to all Lot Owners for maintenance of the Clubhouse, care of the common areas, our streets and roads and the lakes. Having lake rights or not having lake rights does not affect whether or not the annual maintenance charge is due on any lot. The deed from the original owner, Piedmont, governs this obligation, along with the Covenants as recorded on the land records.

The Board's position is that it has no option but to enforce our Covenants, and the Lot Owners who do not pay their annual charge are forcing the Board to respond. A discussion of fairness followed and several Lot Owners in attendance expressed the consensus that the Board is being forced to follow the collection and lien efforts spelled out in the Covenants by the non-payment by the few Lot Owners who have failed and refused to pay after 2 mailed notices.

The issue of the current bad economy and whether or not the Lot Owners might have had medical expense or some hardship not common to all was discussed also in a neighborly attitude

of trying to work with the delinquent Lot Owners to see if some payment plan over a couple of months in installments might be appropriate and fair to all, including the approximately 200 Lot Owners who did pay their annual maintenance charges in full and on time.

A motion was then made, seconded, discussed, amended and ultimately unanimously adopted as follows:

1. The Board will send a Registered Letter, Return Receipt Required, to each Lot Owner who is delinquent and part of the \$6,180 Annual Maintenance Charge shortage. The letter will spell out the Covenants, the amounts due, and seek to learn why the payment has not been made. The letter will set a 30 day time period for the Lot Owner to pay or to work out with the Board a payment schedule. If this is not done to the reasonable satisfaction of the Board, the letter will warn the Lot Owner that the Board will, in obedience to the Covenants, and as their duty as a Board requires, proceed at once to enforce the Covenants to collect the money due. It is noted that the Board is reluctantly being forced by the Lot Owner to take this action and enforcement measure. That such action by the Board is not optional but is mandated by the failure of the Lot Owner to pay the maintenance charges as the Covenants require. The Covenants do not give the Board an option.

2. In the event of no success with the plan set out in the first paragraph above, the Board will proceed to interview and employ legal counsel to advise it as to filing suits or filing liens or both. The exact procedure to follow and how to proceed with the liens and or suits will be left to legal counsel.

Cox reminded the Board and the Lot Owners that he, as a lawyer and board member, and his law firm Watkins & Eager, were not allowed to give legal advice to the Board or Lake Lorman Corporation or to handle the liens or suits, and that Cox recommended that legal counsel from Madison County be used anyway. Cox and Watkins & Eager are located in Jackson and Hinds County.

Because this is a matter in which we anticipate litigation, the Board will, as is customary in such cases and prudent, not make further reports on the status of this matter until something that is actually placed on the Public Record is available. To fail to follow this might compromise our legal position or hurt the Lake Lorman Corporation or its rights in the matter.

Following discussion, the two part Motion was unanimously adopted and approved.

There being no further business, on Motion made and seconded, it was voted to adjourn the meeting.

Bill Cox, Secretary
May 23, 2011