

Lake Lorman Board of Directors Minutes

September 16, 2008

The meeting was called to order and all Board Members were present except Gloria Lay who was unable to attend. In addition there were twelve lot owners present. Also present was lot owner Gerry McGuire and his attorney, Bill Gault.

Budget

Margie Abel presented the Budget. It was approved. It was pointed out that the Board is required, 20 days before the December meeting, to mail out [and email] a Projected Budget recommended for 2009 for vote by the Lot Owners in establishing the annual lot owners dues. There followed a discussion that the budget seemed to be the same as 2007 [\$300]. The 2008 dues were also \$300 [plus the \$100 special assessment for the Clubhouse renovation]. However there was consideration of a need to “lime” the lake and a need for additional road repair.

Lake

The Lake chairman, John Grace was asked to get a firm price for labor and materials for application of one ton of lime per acre in the big and little lake plus a reasonable estimate of the number of days needed to apply it so the Board would have a strong position from which to compute the “real” price of all such expense.

Streets

Larry Foote reported that the surfacing and repair of Lorman Lane in the area of the water tank thus far had used one and one half [1 ½] inch depth of blacktop. He reported two bids, one for \$34,500 and a bid of \$28,995. The bidder for the lower price is Trotti Construction Company. Larry announced that in the past whenever patching work or help with streets and roads has been needed, Trotti sends a crew. Trotti has agreed to “feather” or smooth the junction of the new paving to all driveways within the area of the work, will do no culvert work, will for an additional \$4,500, construct a circular “turnaround” 5 inches thick asphalt, provided we can get an easement from one adjacent lot owner. There was discussion about the Utility District and this turnaround, but it was stated the Utility District contends it only agreed to repair what it damaged with its equipment and contends that this has already been fully concluded. The Board will continue to address this contention. Discussions pro and con followed. It was then moved seconded and passed that we award this contract to Trotti, plus the \$4,500 extra for the turnaround [provided we get the free easement} and to this end it was agreed that our President, Larry, Don Seagrove and Mr. Trotti would visit the scene, meet the owner to hammer out the agreement. The motion further provided that once all this was agreed to Trotti would sign a contract covering exactly what terms were agreed to and what was to be done and for how much. This passed unanimously.

Westline Drive is next on the paving schedule.

Lake Rights and McGuire Lot

The next item on the agenda was the lake rights issue of McGuire. Bill Cox gave a brief summary of the situation and gave an overview of the Memorandum of the Lake Rights Committee which had studied the matter for several months, interviewing witnesses, checking

the law of real estate and corporations and the Deed Records of Madison County. Mr. McGuire then explained his position and gave the history of what had occurred. An extended discussion with questions and answers followed. Mr McGuire's attorney made a presentation of his view of the matter.

Following this, positions on each side of the matter were presented and many of the lot owners present asked questions, made comments and the matter was extensively discussed from all aspects. Cox pointed out that payment of the annual homeowner dues does not give lake rights and are not equivalent to "lake rights" because, for one reason, only a portion of the annual dues are attributable to the lake itself, but go for taxes, utilities, roads, grounds maintenance, insurance, the Clubhouse and numerous other general expenses of the corporation and the operation of the premises including the lake itself such as liming and fertilizing and the spillway and dam, thus payment of annual dues for any lot does not give or produce a lake right easement, but such only comes by conveyance of an easement in a legal document such as a Deed. It was pointed out that some lots and properties and some ½ lot owners have paid an annual sum for several years through prior Boards to use the streets and roads as a type of "user fee."

Some frequently or commonly asked questions were asked, answered, discussed and debated. There was a long discussion of what Mr McGuire would do if the Board agreed to allow the lot owners to vote but if the vote went against a grant of lake rights, what would Mr McGuire do as to letting the vote be dispositive of this matter or the final word. All views of the entire situation were fully presented, debated, argued and covered in all aspects. There was a discussion of what legal action if any, Mr McGuire intended to take as to his Grantor [or the seller] of the lot in question.

It was the consensus that if the majority [51%] of the lot owners vote to grant lake rights, no change in Covenants could accomplish that, and that the Board, in and of itself, without such vote, could not grant or convey a lake right or easement. It was the consensus, as the Committee had concluded, that the solution was to conduct a vote by written ballot by all of the Lot Owners, each lot to have one vote. The issue is to decide whether to authorize the Board to grant lake rights or not grant lake rights to the McGuire lot only, and if so, on what conditions, if any. It was agreed by the Board and by Mr McGuire, that Mr McGuire's attorney, Mr Gault would prepare a draft of a one page list of questions and answers about this matter and that he and the Committee chairman Maison Heidelberg [who was present and participating], would confer about a mail out and email presentation of this "lake rights issue" to the Lot Owners to fully advise and "educate" them as to the issues, for and against, so they can vote wisely. There was a discussion, but no vote as to the calling of a special meeting devoted to sharing of information on the subject for any lot owner who wants to participate so as to be advised of all aspects of the matter.

New Business

The issue of the culvert between the Lakes was discussed again and there was a discussion of trees and dead trees on this dam. John Grace is to check into this and report back.

There was then a vote to declare a default in payment of annual homeowner dues by Claudia and Todd Boyd on Lot 209 Part 8 and that Lake Lorman will follow Lake Lorman's Covenants and file a lien on the property in Madison County land records for \$400 plus a late fee of \$25 plus monthly interest at \$15 per month from and after June 2008 until paid.

The issue of speeding on Coker Road was discussed. It was agreed to get the Traffic Control Engineering office in Madison County to inspect and advise what could be allowed. We are to ask those Lake Lorman owners who enter and exit onto Coker Road what their reaction would be as to a 3 way stop sign in appropriate permitted locations.

The matter of use of the Clubhouse twice a month by a "Bunko Club" which is a group of current and former Lake Lorman owners who are also members of Twin Lakes Baptist Church. The Club is for food, fellowship and fun with your neighbors. This use was next considered, and it was voted to approve this use. It was discussed that a Bible Study group used the Clubhouse for free, that the Study group was open to all Lake members and the group had been diligent in cleaning up afterward and keeping track of needs at the Clubhouse.

A request by Dave Braband relating to a free standing barn shaped storage "out building" was next reviewed. Historically the prior Boards of Lake Lorman have not approved these, requiring them to be attached to the house, and Mr Braband was asked to bring additional information so decision was postponed. It was discussed that the Gunter pergola had been approved in August 2007 and the 12 months provided in the Covenants had expired. Bad health had been cited by the owner for the delay but some discussion followed about the need for consistent enforcement of the Rules and Covenants and that if the owner had bad health, then a contractor should be retained to complete the pergola. A decision by a prior Board had required this pergola as an outbuilding to be attached to the house and this is a work in progress.

The matter of the 3 lots [with but two lake rights among them] now owned by Van Tyler was next discussed. Due to a mistake in billing the annual homeowner dues for last year, only one lot had been billed and paid, but this year this will be corrected and billing for each lot will be made, the Board deciding not to contest the issue due to the billing error.

Bill Cox
September 16, 2008