

October 17, 2011 Minutes Lake Lorman Corporation

The meeting was called to order in the Clubhouse as noticed by President Antoon at 6:09 P.M.. Present were Directors Antoon, Chaplain, Cox, Foote, Lyons, and Olivier. The President welcomed the Lot Owners. The first order of business was Bill Cox's motion to approve the September Minutes as posted on the Lake Lorman website, and to waive the reading. The motion passed.

Treasurer's Report

The first order of business was the Treasurer's Report by Lucky Chaplain. We had an opening balance of \$32,214.49. We paid our Lake Insurance with Nationwide \$5,732, repairs and maintenance to the streets by Trotti Construction of \$1,150.25, paid \$8,034 to Murray Mudjacking for the repairs and filling in and around the culvert between the two lakes, paid \$1,010 to the Canton law firm of Herring, Long & Crews for the legal work preparing and filing the 3 Liens on the lots and property of 3 of our Lot owners who had not paid their annual assessments under the Covenants. Lucky reported net cash balance on hand as of October 5, \$16,275.66. Normal expenditures for The Critter Catcher \$150, Best Lawn maintenance \$645.58, Accounting Fees \$150, Utility District for utilities for the Lake, \$67 also were paid.

Expenses for this Year

The Directors pointed out that several issues which had long gone unattended but were needed including the boat ramp repair at the Clubhouse, the culvert between Little and Big Lakes, street paving and repair and the Covenant enforcement against delinquent accounts had been finally concluded this year. This was good but unfortunately it leaves us without a "rainy day fund" for emergencies. The Board will have to find a reasonable way to recommend to the Lot Owners to correct or cure this financial situation with a one time special assessment that would be set aside and earmarked as a Trust Fund for the lakes or roads, or some other acceptable solution the Lot Owners approve, if any.

Approval of Treasurer's Report and Ratification of Payments

The Board then approved and ratified all the foregoing expenditures and approved the Financial Report, a copy of which is attached by reference and made a part hereof.

Lake Report

Larry Foote reported that Murray Mudjacking had required water for its concrete slurry mix that plugged the holes and leaks in the culvert between the two lakes, which water furnishing was part of this contract and a duty of Lake Lorman to furnish the contractor. The Board had made an agreement with a nearby Lot Owner to buy water from his home, based on water meter readings, and the total cost of this water for Lake Lorman to provide water for the Contractor under our contract was only \$34.65. This payment was approved unanimously.

Full (zero) Level of Lake

Our Covenants in Section III paragraph D defines this term. "Full (zero) level of lake" is the

water level of Big Lake Lorman that is even with or at the natural outflow level of the old, original "in dam spillway." For the convenience of our contractors and the Lot Owners, and in order to clarify the Covenant meaning of full (zero) level of lake, the engineer for Lake Lorman surveyed the elevations of both of these overflows or spillways. The newer vertical metal spillway pipe located out in the lake near the north end of the dam, by engineering survey, shows that the full (zero) level of the lake of the original "in dam spillway" is two inches [2"] higher than the newer vertical metal pipe spillway. Therefore the water level at the old original in dam spillway is the official Covenant referenced, full (zero) level of Big Lake Lorman. Our Covenants control the Board and the lot owners, and this explanation is simply in order to assist our Lot Owners and their contractors in measurements, elevations and to aid in clear understanding of our Covenants. A full discussion on this was conducted by the Board and the Lot Owners present, but no Board action was taken.

Boathouses Now under Construction

The Covenants provide in Section IV paragraph A in part that the covered part of a boathouse shall not extend more than, "12 feet in height measured from the full (zero) level of the lake."

The Board discussed two boathouses and height measurements out of Covenant limits apparently.

The Board asks all Lot Owners to please advise your contractors of our Covenants so that when the plans are drawn and submitted, your project will be promptly approved. If plans are not in conformity with Covenants the Board will refuse to approve them until the plans do comply.

The Old Drain Valve on the West side of the Big Lake

The Board reported that it had visited the valve with professional engineering experts in dams and drains. A photograph of the valve was presented and it was disclosed that this valve is old and very rusty especially the moving valve itself. The valve moves vertically like a guillotine, and the engineers expressed concern that the valve is extremely rusty and corroded and if that valve is ever opened, it might be in such bad condition that it would never close off again, thus endangering an emergency continuing outflow of all of our lake water. The condition of the pipe is unknown, but if it is in the same condition as the valve, the pipe could spring a leak and drain the lake even if the old stuck valve is not opened, just spilling water from the pipe. But nobody knows, and there is no reasonable or economically feasible way to inspect the condition of this pipe as it is fully buried within the earthen dam of the Big Lake. The lake end of the pipe connected to this old rusty valve runs horizontally easterly through the Big Lake dam into the lake, near the bottom of the lake. One long time resident stated that he, many years ago had used this valve to bring down the lake level, and that when he turned it on or open, black, dirty, putrid stinking fluid came out, showing that the water or liquid on or near the bottom of our lake is not in good condition.

The engineers report that they are of the professional engineering opinion that this valve replacement is a matter the Lake should attend to at once and without delay. The Board is considering moving immediately to contracting with an engineer, Thweat Construction Company so as to have a 2" drain valve installed by the engineers on outside end of the 8" flange right at

the outboard end of the existing valve. This 2 inch valve will in effect be a “safety backup” to the old rusted 8 inch valve, giving us time to decide exactly what to do, to [a] leave the pipe and valve in place for draining or [b] simply plug the entire pipe and valves permanently. The engineers can use this new 2" valve to [a] have and use as a way to drain the lake should that ever be needed, or [b] utilize the new 2" valve to pump concrete slurry into the old valve and into the pipe to permanently seal off this equipment. The cost for a bronze 2" valve installed is about \$975, such price includes the valve itself plus the labor to install it. The cost of bronze and steel are about equal and bronze is better for this job. Because of the water pressure, all this is tricky business calling for engineering skill and specific tools and equipment, thus the cost is not cheap. We have this money in the bank and the Board voted to proceed with the new 2" valve now, and to continue to study and evaluate with our engineers sealing the pipe permanently. If the old rusted 8" valve fails, the new 2" valve is designed to back it up and prevent lake water from escaping. We could need a means to drain the lake if an emergency arose, so we will need to study how to handle that part of this difficult problem. This is a problem for all of us and if any lot owner has any solution or idea, please contact a Board member at once. We do not want any failure and have someone say, “if only you had done this or that it wouldn’t have happened.” Please let the Board know if any ideas to solve this.

It was pointed out that we continue to address tough problems and to perform repairs many of which have long been needed but your Board has been willing to, and continues to be willing to protect our lakes, roads and infrastructure by doing what is necessary and reasonable. We should all be concerned that we have no “rainy day” fund for emergencies, and the Board will address this also and make recommendations.

Covenant Enforcement

There followed a discussion of Covenant enforcement. Several Board members and lot owners present stated that our Covenants are legal documents and should be enforced. These Covenants are officially on file and of record in the Madison County Courthouse. The Covenants control the use of all lots subject to the Covenants. The Board of Lake Lorman has the duty to reasonably enforce these Covenants. The Board has no discretion but must enforce the Covenants as passed by the Lot Owners. If the lot owners wish to change any Covenant, the Covenants themselves provide for the procedure by which this is to be done. The Board does not have the option to enforce or not enforce Covenants or parts of Covenants. Any particular Board of Directors is only responsible for its own decisions, not decisions of prior boards on any Covenant that is clearly worded and not ambiguous. If prior Boards have or have not enforced certain of our Covenants this is not the fault of the current Board and the current Board cannot undo or change or reverse the decision of a prior Board.

The reason for this discussion is that this year this Board has had numerous complaints about its procedure to attempt to evenly and uniformly enforce all our Covenants. There was input and discussion from those lot owners present and a long discussion followed. It has been argued to this Board that other Boards in the past have not enforced certain Covenants. This Board understands its obligation and duty under Mississippi Law and our By Laws. The duty of the Board of Lake Lorman is to fairly interpret each Covenant with the facts of each situation, and to then make decisions on specific issues on a case by case basis uniformly upholding and enforcing Covenants. No Lake Lorman Board is bound to continue any mistake or error by a

past Board, but only has the duty to fairly enforce all Covenants.

Little Dam on Big Lake Needs no reinforcement or addition of sack concrete or concrete

A lot owner advised the Board that [in his opinion] a section of the little dam near the south end of the main dam on the Big Lake needed reinforcement and with limestone or concrete not sack concrete or Sack Crete as it is sometimes called. Accordingly the Board had the dam inspected by an engineer from Aqua Engineering, and was advised that the dam was not in danger of failure as the lot owner had suggested. Our dam is strong and in good condition. The engineer stated that at most it would not hurt to add sacks of concrete and now would be a good time to add sack concrete [Sack Crete] in some areas while the lake water was down thus facilitating this application of sack concrete in some areas where there was grass between some cured sack concrete, but this was a financial decision, not a safety decision or something needed to keep our little dam safe. It was found to be safe by the engineer. The engineer also pointed out in response to questioning by the Board, that sack concrete [Sack Crete] is an entirely good and acceptable reinforcer, but Sack Crete is more expensive than normal rip rap or sections of broken cast concrete. The problem involved in this area of the little dam is the weight of a loaded truck coming up the grassy slope on the west side and no reasonable right of way route in and out to get the broken slabs of concrete or rip rap to the dam, plus the cost of equipment to place or set the concrete pieces in position along the dam.

Communications

Judy Lyons announced that the annual meeting of all Lot Owners for voting on the Budget and for new Directors was Monday December 12 at 7:30 as the Covenants provide.

If anyone wishes to be considered as a candidate for the Board, the deadline for a written statement of candidacy is before 30 days prior to December 12.

Request for Storage Shed

A request for a storage shed was made by a lot owner. The Board spent time reviewing Covenants, reviewing the drawings and photographs. This matter was ultimately taken under advisement and tabled awaiting further information about adjoining property and an evergreen hedge to hide or camouflage the shed from view. A decision on this will be made as soon as the Board is able to get all facts and further debate the issue, and any decision will not have to await the November Board Meeting. This November meeting is 6 pm Monday November 21.

There being no further business or comment, the Meeting was adjourned by unanimous vote.

Bill Cox, Secretary
October 28, 2011

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