

Grand Valley Lakes Property Owners Association  
Annual Meeting of the Members

April 19, 2008

Call to order:

Richard Badour called the meeting to order at 10:00 a.m.

Prayer:

Bob Peace led the meeting in prayer.

Quorum:

A Quorum was declared by Mark Woods, Acting Secretary.

Director's Present:

Richard Badour-President, Mark Woods-Vice President, Phil Hickerson-Treasurer, Gelene Keithley, Myra Cox, Bart Creedon, and Betty Boggan.

Absences:

Bill Wilson has an excused absence.

Reading of the Notice of Annual Meeting:

Mark Woods read the Grand Valley Lakes Property Owners Association notice of the annual meeting of members.

Reading of the April 21<sup>st</sup> 2007 Annual Minutes:

Mark Woods read the minutes from the April 21<sup>st</sup> 2007 annual meeting. Phil Hickerson made a motion to accept the minutes as read, Gelene Keithley seconded. Motion carried.

Treasurer's Report:

Phil Hickerson read the Treasurers report.

Gelene Keithley made a motion to accept, Mark Woods seconded. Motion carried.

Richard Badour announced that George Fusner will speak on current lawsuits that we have had over the past year.

George Fusner spoke about the lawsuit with Miller Lumber Company. Miller Lumber company sued Grand Valley Lakes in an effort to open up the old Enon Church road.

At one time, this road ran thru the middle of Grand Valley Lakes on the property to the south edge of the golf course. A large part of it does not exist anymore and has not existed in a number of years. Miller Lumber Company sued Grand Valley Lakes in the attempt to open up the road and utilize it for their log trucks. We adamantly resisted and had the lawsuit dismissed. The court ruled that it was not a public road. George Fusner acknowledged that without the testimony and recollection of Ken East Sr. and Dave Eason, we might not have won. Legal fees were high last year because we were fighting the lawsuit.

Also, Grand Valley Lakes is in litigation with Dennis Burrows who has sued Grand Valley Lakes in the attempt to invalidate the Restrictive Covenants that were adopted in 1998. These Covenants allowed the modernization of Grand Valley Lakes and made Grand Valley Lakes what it is today. This is an ongoing lawsuit with substantial money spent to fight this.

We have the ongoing collection of lot owners who owe past dues and water charges and have not paid in many years. Last year we collected approximately \$168,000.00 in delinquent dues and water and we continue to do this and enforce the Restrictive Covenants to maintain the Grand Valley Lakes the way it should be. George Fusner also stated that he has been involved with Grand Valley Lakes for about 29 years with some gaps and the Miller Lumber Company lawsuit was a huge victory.

Phil Hickerson made a motion to change the rules to allow voting by written ballot, Bart Creedon seconded, motion carried.

Richard Badour asked for nominations for board of directors from the floor. Let the record show that there are no nominations from the floor.

Richard asked for George Fusner and the directors to introduce themselves.

George Fusner stated that he is the attorney that represents Grand Valley Lakes and has since 1998.

Bart Creedon has a house in Grand Valley Lakes but does not live here. He has been on the board for three years and he loves the growth.

Myra Cox has been here for almost three years and enjoys living here and hopes to serve on the board for another three years.

Betty Boggan has owned property here since 1975, has lived here for about twelve years and she loves Grand Valley Lakes.

Richard Badour has lived here since 2003. He has been on the board for four years and has been the President of the Board for three years. He would like to thank everyone for his or her support.

Mark Woods has been a full time resident since 2002. He has been on the Board of Directors for five years and has been the Vice President for the last two years.

Phil Hickerson owns property in Grand Valley Lakes but lives in Henderson, Tennessee. He has been a Director in Grand Valley Lakes for eleven years.

Gelene Keithley has owned property here since 1999. She has been a full time resident since 2000. Gelene Keithley has been on the Board of Directors for four years.

Richard Badour thanks the board for participation 2007/2008 and look forward to carrying on the business of Grand Valley Lakes into 2008/2009.

Richard Badour announced the candidates for the Board of Directors, Bart Creedon, Ryan Deady, Bob Turner, and Bill Wilson, and asked for statements prior to voting.

Bob Turner said he has been a resident here for two years.

Bill Wilson could not be here today.

#### New Business:

Herb Chambers addressed the water tank proposal. We are averaging about 74,000 gallons of water a day. The state requires us to maintain a certain level of reserve. When we reach 86,000 gallons of water a day, which we expect to in a year and a half or maybe two years, then the state will require us to put another water tank in. The well is in place. The cost is roughly \$600,000.00. We tried to get a state grant but to no avail since we are private community. The water tank is a necessity because of our growth. We are growing by about ten households a year.

George Fusner replied that the state has the ability to shut us down if we reach capacity, but would probably only require us not to allow additional water taps.

Herb Chambers spent a lot of time on pricing and research to get this done ahead of time.

George Fusner stated that the water tank proposal is put up to vote before the board and membership because we need approval for any capital expenditure in excess of \$25,000.00. This expenditure requires the vote of the membership.

We need approval to go ahead and order the tank and do the necessary work.

Herb Chambers stated this would be over a two-year period.

George Fusner asked for any questions because of the importance of this.

Richard requested that any statements be made with the lot number and the name.

Walter Owens, Lot N 903, asked what the water tank capacity is.

Herb Chambers stated it is a 200,000 gallon tank.

Richard Badour stated that the installation of this water tank would finalize the water system in Grand Valley Lakes. We can support the growth and maintain the Valley at a quality level of life for everyone here.

Judith Rose, Lot N1322C, asked would this increase our water pressure.

Herb Chambers said it should.

Richard Badour asked for additional questions. With no further questions, Richard Badour asked if there is a motion to authorize the purchase and the installation of the new water tank. Gelene Keithley made a motion to authorize the purchase and the installation of the new water tank in the amount of approximately \$600,000.00. Bart Creedon seconded the motion. Motion carried.

Richard Badour asked for any questions on any subject.

Janice Hardin, Lot 113 wanted to know the status of paving roads.

Richard Badour stated that this is a budgeted situation each year for a certain amount of roads. The criteria that we use to determine which roads are paved, are the conditions of the road, the travel and the need for upgrading the current road.

Robert Taylor, Lot N1230, as far as the Miller Lumber lawsuit, is there was a defined area of Enon Church road that was closed and does the property lines go to the center of that road.

George Fusner stated that the road is closed from the east Grand Valley line to the end of Sain Lane and all the way thru to the western side. Only the Grand Valley Lakes portion is closed. The recorded plat will govern the dimensions of your lot.

Richard Badour stated that the Board of Directors are your neighbors and are volunteers and we ask for the input of the people that live here. Any likes and dislikes should be addressed.

Davis Wieties, Lot 552, asked if we will become a municipality with a mayor and city council and if the dues would become taxes.

Richard Badour stated we are a private gated community with a sense of security. This is why people want to live out here with that peace of mind.

George Fusner stated all the roads are privately owned by Grand Valley Lakes. In Tennessee, it's probably impossible to incorporate anymore. The legislature passed a law three or four years ago that outlawed that except for the grandfathering in of certain ones.

Also, if we were to change the water system to a public water system then the state could come in and mandate a more serious set of guidelines and the expenses would be increased so that didn't make good sense.

Robert Bertin, Lot 742, asked what is the status of Southeastern Properties in terms of what they owe and do they want to turn some property into rental property.

George Fusner stated that there are certain delinquencies that are being pursued in Hardeman County Court and it's a matter of public record with no resolution as to the financial condition. The Board of Directors voted down the short-term rentals because short-term commercial use of property is not permitted in Grand Valley Lakes and the variance was brought before the Board and the Board of Directors denied the rentals.

David Parkinson, Lot N922C, asked what is the current status of Southeastern Properties as far as the golf course is concerned.

George Fusner stated that this question needs to be addressed to Southeastern Properties. Southeastern Properties do own lots in Grand Valley Lakes. Since the Golf course is privately owned this is between Southeastern Properties and Deer Creek.

Norman Johnson, 1511C asked if Cherokee Drive would be widened because cars go both ways on the one-way street.

Herb Chambers stated that we would have to look at the budget to see when funds would become available.

Richard Badour stated that in terms of priority when the funds become available.

Alice Billions, Lot 701C, asked what is Southeastern Properties doing in here and do they have to abide by the same rules as other owners.

George Fusner stated they are lot owners and have to abide by the rules.

Myra Cox also stated that they have to abide by the rules and come before the Board with requests.

Herb Chambers stated that Southeastern Properties does not own the log home lots. Southeastern Properties is the contractor in charge of building the log homes for the property owner.

Walter Owens, Lot N 903, asked if Southeastern Properties default on the lots, where do the lots go.

George Fusner stated that if Southeastern Properties or if anyone defaults with their payments of obligations, a lawsuit is filed and we obtain a judgment for the amounts they owe with interest and attorney fees. Then we can execute on the judgment, seize property or garnish bank accounts.

Southeastern Properties lots are encumbered by Kennedy Mortgage, a company out of the northeast. Kennedy Mortgage holds a first lien, and would get the lots because we are a second lien holder.

Sherry from the Hardeman County Animal Control made a statement pertaining to a new resolution to prohibit, subject to certain exceptions, the ownership, harboring, or possessing of pit bulls within the county of Hardeman, Tennessee. The county commissioners and the mayor passed this resolution on April 15, 2008.

The breeds included in this are American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog, which has the appearance and characteristics of being predominantly of any one or more of the above breeds.

Alice Billions, Lot 701, asked about water testing.

Herb Chambers stated that we take a sample everyday and we record that. The State of Tennessee inspects us, and periodically thru the year samples are taken and sent to Environmental Sciences in Lebanon, Tennessee. They test the water for all that the state requires. They send the results to us and to our operator. We have some of the best water in the country. We do put chlorine in the water. Our main water tank is due for an inspection so everyone will be on the new well. So there may be increases or decreases in the water pressure. The tank will be down for four or five days.

Richard Badour called for a recess until 12:00 for the counting of the votes.

Richard Badour called the meeting to order and asked the acting Secretary, Mark Woods to read the Certificate of acting Secretary as to members for annual meeting of members April 19, 2008 as of 10:00 a.m.

The total members in Good Standing as defined in Article V, Section C of the Bylaws and counting one member per lot is 1156.

The total members in Good Standing as defined in Article V, Section C of the Bylaws and counting one member per lot present in person or by proxy is 227.

Results were as follows:

Bart Creedon 72

Ryan Deady 8

Bob Turner 64


Bill Wilson 79

There were no nominations from the floor. The new Directors are Bart Creedon, Bob Turner, and Bill Wilson.

The authorization and purchase of the new water tank, 178 votes yes, and 44 votes no. The new water tank passed.

Adjournment:

With no further business, Myra Cox made a motion to adjourn, Betty Boggan seconded, motion carried.

  
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President

  
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Secretary

