

Grand Valley Lakes Property Owners Association  
of Directors Meeting  
June 12, 2009

Call to order:

Richard Badour called the meeting to order.

Prayer:

Aaron McGregor led the meeting in prayer.

Directors Present:

Richard Badour- President, Bill Wilson-Vice President, Gelene Keithley-Secretary, Betty Boggan-Treasurer, Bart Creedon, Jess Bebee, Phil Hickerson, Bob Turner, and Aaron McGregor.

Attorney George Fusner was present also.

Quorum:

A Quorum was declared by Gelene Keithley.

Reading of the Minutes:

Gelene Keithley read the Board Meeting Minutes from the May 8, 2009 Meeting. Bart Creedon made a motion to accept the minutes as read, Bill Wilson seconded. Motion carried.

Corrections:

Bill Wilson was not absent at the May 8, 2009 of Directors Meeting, he arrived late. Bart Creedon was not listed under the Directors present.

Treasurer's Report:

Betty Boggan read the Treasurers' Report. Bill Wilson made a motion to accept the Treasurer's report as read. Gelene Keithley seconded. Motion carried.

Manager's Report:

Kevin Brewer read the Managers report. The water agreement with the Golf Course has been signed. This agreement is for the use of Duffer Lake as a reservoir.

Melinda Brewer has been working on getting the costs for putting lots on Ebay to sell.

Richard Badour stated that there needs to be a discussion on this, and that we need to look at the pricing that we currently have in place and the opportunities that those high prices as a success of sales would bring to Grand Valley.

Richard Badour further added that he has had discussions with Larry Brown and Gary Serebryany who is a Real Estate broker in California who sells Grand Valley Lakes Lots. With 950 lots, there is not a big market out there right now. The most important thing to Grand Valley is to get these lots moved and sold so that we can accumulate the fees at the end of the year. With 950 lots at \$300.00 a year average, you're looking a quite a bit of increased income, so that we can stabilize our increases and prices at the end of the year. Everytime the budget gets here, we are looking at higher prices. The Board needs to look at developing prices that would be incentively verses a large amount captured per lot, to get these lots back into circulation. I would like some discussion on that, and to sell these lots at a low price \$500.00 to \$1,000.00 would be the way that we should go as an incentive to sell them because there in no market for real estate in this current economy. We cannot sit back and wait 3, 4, or 5 years because we will be in trouble. One third of the membership is paying the bills for Grand Valley. There are alot of collections in motion and alot of things being looked at with the other 900 lots but the 950 that we own, we pay 18,000.00 or 16,000.00 a year in taxes. It doesn't make sense. The increase that we tack on at the end of the year to pay our bills, doesn't even pay the taxes that we pay on the lots.

So I ask the Board to consider that and have a discussion on that tonight and maybe make some recommendations and move forward on how we can do our part through the website and whatever to move these lots. Trust me, there are a lot of lots here, there's room for a lot of people to be involved, the timing could not be better, the Golf Course has been taken under new management and we need to get that out on the website.

Bill Wilson stated that there are quite a few lots out there that are not desirable lots but some of these undesirable lots are next to a good lot so I think it would be prudent for us to give a person a price on a good lot that we could actually throw in the other lot.

Discussion continued on lots and locations.

Richard Badour asked the Board about their feelings on the pricing that he talked about.

Bob Turner commented that if we sell these lots too cheap to people that want the amenities here, never intend to build, and never intend to be a part of the community, and utilize the amenities that we have, are you willing to accept that by pricing the lots so low that instead of going to Pickwick, they come here?

Richard Badour stated that we already have that. The object of selling the lots is to get the involvement in the community.

Bart Creedon asked about having someone come in and look at pricing.

Richard Badour asked Larry Brown about his proposal on selling the lots.

Discussion continued about selling the lots and the pricing.

Bart Creedon made a motion to table the lot sale discussion, seconded by Jess Bebee. Motion carried.

Kevin Brewer continued with the Managers report. He stated that Kenny Rutledge wanted to put up signs and fliers at the front gate for the Restaurant. Discussion continued on who can advertise at the front gate.

Bart Creedon made a motion to let anyone use the mailbox for information to be passed out to the Valley, Bill Wilson seconded. Richard Badour stated that it has been moved and seconded that the mailbox at the gate be allowed to be used by the general population of Grand Valley to advertise upcoming events and specials. Unanimous decision. Motion carried.

Herb Chambers talked about the meeting that was held this morning with TLM, our Engineering firm and Phoenix Fabricators. Gelene Keithley and Richard Badour signed the purchase agreement for the water tank. Randy McKinnon with TLM was there and he gave us a sequence of guidelines of what will take place until this tank is in place. We opened an account for the water tank where all the money comes out of this account. Because it's a new account, First South Bank needs the authorization to Herb Chambers, Melinda Brewer, Betty Boggan and Richard Badour to be put in the minutes for check signing privileges.

Bill Wilson made a motion that these four people, Herb Chambers, Melinda Brewer, Betty Boggan, and Richard Badour be authorized for the check signing authority for the Water Tank Account. Bart Creedon seconded. Motion carried.

Herb Chambers referred back to the Treasurers Report water tank account with a balance of \$110,849.49. This money came from a CD that matured on 05/02/09 that had \$67,989.65 and another CD that matured on 03/20/09 that had \$42,859.84. Each one of these CD's were deposited into this account. As the other CD's mature, we will roll it into that account. This is an interest bearing account also.

Phoenix Fabricators will be in here the first part of next week to start the foundations. I am sorry for the people that live on the far side of the Golf Course, we will have to put everyone on the old well and your water pressure will be decreased considerably. It will be this way for about six months and this will start on Monday. We have to remove the existing tank and Phoenix will help with that. The maintenance department and Ron Ridings did a wonderful job on the front gate.

Richard Badour stated that the Treasurer, Betty Boggan, and Barb Turner met on Monday with Melinda Brewer in the office and discussed the imbalance between the audit and the Treasurers Report for the year end. I spent a lot time on the phone with our auditor who was in the office the other day, and there's going to be some changes made to our reporting system.

What was not being reported on the income line was the interest from the CD's so that it would show an imbalance of about \$15,000.00 to \$20,000.00.

There is a window in the month of March where we go from 2008/2009 to the 2009/2010 that the income comes in for the new year, it was being accrued in a savings account but not tabulated. It was being tabulated by the auditor because he has to tabulate monies in the month that they are received in. We will start and go back and redo the March forward. This year we will probably be off quite a bit because if we start every year with the income as it comes in, let's say \$150,000.00 each year, that \$150,000.00 would show monies available going into April, but we have to make sure that we receive it right, the income expense line is correct, and the moving it over into the general fund because not all of that was being seen. Barb Turner probably knows better than I do what I'm talking about. Barb Turner stated that she has a problem with Richard Badour doing this research and she asked Richard Badour if he had talked to Betty Boggan before he made these phone calls. Richard Badour stated that he talked with Melinda Brewer. Barbara Turner stated that she thinks there are other issues in the budget or the paperwork and I'm not saying that anything bad is being done it's just sloppy bookkeeping, very very sloppy bookkeeping. I had planned to compile my thoughts on this in a very professional manner with Betty Boggan and going through proper channels to be presented. I think the way you presented it tonight is very improper, you did not even consult me. Richard Badour apologized to Barbara Turner for not consulting her and suggested we move on.

Richard Badour brought up the Grand Valley Lakes investment group discussion. This group relates to the Board of Directors as it exists today. There are five members of the P.O.A. Board of Directors that are members of the investment group for the Golf Course. I will turn this over to George Fusner, our attorney, and let him explain this.

George Fusner stated that basically that this would apply generically to any transaction in which a Board of Director would have a conflict of interest or a financial interest. To take Board action, number 1 the conflict of interest or the financial interest needs to be disclosed so the five members in this particular case need to say alright I own an interest in the Golf Course and disclose that to the Board. Full disclosure is the first thing that has to happen with any Board Member that has an interest or a potential interest or financial interest in the transaction, has to be disclosed. Once that happens, a majority vote by the Board Members who do not have a financial interest is all it takes to bind the corporation. In this particular instance, if you were to vote on a transaction between Grand Valley P.O.A. and the Golf Course corporation, you would take votes of the non interested Board Members because that would be a majority vote to bind the corporation to that action.

The Board has to always act in the best interest of the corporation at all times and not in your personal best interest, your acting for the Home Owners Association and the P.O.A. and it's best interest. I wrote a letter to Richard Badour and it's in the Board Members binders. If you recall, there was a resolution prepared to get the water going to the Golf Course that involved three of the four votes and this was binding. George Fusner continued that the Members that are investors in the Golf Course should be disclosed in the minutes.

Richard Badour stated the investors in the Grand Valley Lakes Golf Course are Aaron McGregor, Bill Wilson, Richard Badour, Gelene Keithley and Bart Creedon.

Billy Hatfield grievance is next on the Agenda. Richard Badour stated that the statement grievance is very general, can you tell us what your expectations are or what you want to gain from this?

Billy Hatfield stated that I expect to get my job back and I expect to have Kevin Brewer fired. That's my expectations. The day after Memorial Day, Kevin Brewer called me up to the shop and tells me it's not working anymore and I was relieved of my duty as Security Officer. I asked why and he said I got some phone calls. I had not even turned in my report for Memorial Day and I'd like to show this to you right now because I did make a copy of it. It clearly shows I went to the Beach like six or eight times that day. And then we had a meeting with Jess Bebee and Miss Betty Boggan and he made me sign this paper. It says, I'd like to read it now, Billy Hatfield, Jess Bebee, Betty Boggan and myself met at the Lodge on June 4, 2009. The purpose of this meeting was to find out if Billy had quit or if he was going to take the position offered to him in the maintenance department. Betty and Billy arrived first, so we went into the lobby and talked mostly about Billy's hand for a few minutes. About 6:35, Jess had not gotten there, so I started the discussion about Billy's situation. I stated that the reason that we were there was to find out if Billy was going to take the maintenance position and if he was going to be the first responder since he didn't take the first responder kit from the patrol car. He stated he knew the position was offered to him but he wasn't taking it. He also stated the P.O.A. bought the kit and he didn't need it, he had one already. At this time Jess showed up and Billy asked me to tell Jess what we had already discussed, and I did. Jess then asked about putting Billy back into security, possibly on a temporary or probationary period. I told Jess that this was not an option. Jess wanted to know if there was a common ground that could possibly allow this to happen. I again told him no. I told him that Johnny was in the security car now. He was the best or only man available for the position at the time that I knew of because the Valley has had vandalism and break-ins in the last month and I felt we had to have somebody in the car right away. I also stated that Johnny was on a 90-day probationary period and it might be better to have someone with a Police background in that position and I didn't know of anyone at that time.

We can accept applications for the position and try to find a more qualified candidate. Jess said he wished there was something we could do because some of Billy's write-ups were trivial and minuscule. I told him there is nothing that I can do. Jess asked Betty if she had any thoughts and she asked Billy if he would consider taking the maintenance job on a trial basis because she hated to see anybody lose their job. Billy told her that he had a new job working for Eagle Construction, the Log Home Contractor, and he was guarding their home sites from me. Billy said that he had been hearing for 6 months that Johnny was going to get his job and that it was all over the Valley that was my plan. I told him I never heard that before and he also stated that I didn't have a clue as to what he did in the Valley as far as security. After Billy's last few comments, the meeting was turning ugly so I told everyone the meeting was over and I thanked them for their time. As we left, Billy stated that this would all come out Friday night at the Meeting. Now this is Kevin's own words.

Kevin Brewer stated that it was you that actually stated that I didn't have a clue as to what he did in the Valley as far as security.

Billy Hatfield stated that's true, I just said that.

Billy Hatfield continued, he basically said that I was insubordinate, that I wasn't doing what he told me to do and to be honest I was insubordinate. By the way, here is the petition that was signed. I didn't have nothing to do with this, it was done on somebody's own time. I thank them for it, I thank everybody that signed it. The reason I was insubordinate, I was told on one occasion that I did not write enough tickets and I needed to make the P.O.A. office some money. That is a quote. He had me write tickets on hearsay. If somebody said they seen something or heard something, I was suppose to run over there and write a ticket. I balked at it and finally he just kept pestering me so I wrote them out. Well come to find out, he wrote them all letters and said those are excused. He had me working three days a week on the gate and then patrolling fourteen hours. Billy Hatfield asked Kevin Brewer "fourteen or sixteen". Kevin Brewer said "sixteen". Billy hatfield continued with it adds up to about four hours a day if you break it down three or four hours. And then one of the reasons I was fired is I wasn't patrolling enough. Well this here he controlled my patrolling so if I didn't patrol enough that was your fault. I asked him, I said being the security supervisor should I not have keys to the security cameras and maybe the gas tank cause I always had trouble getting gas. Well he told me no that he was the only one that could have keys. I remember at the meeting Myra Cox wanted to know why the cameras weren't hooked up. Well they hooked them up and for six months we kept telling him to adjust them they needed adjusting. It was done last week from Thanksgiving. And I had to pull my own maintenance on the car and then I finally cleaned the car out and drove it up to the P.O.A. and told him heres the car.

It doesn't run right I been telling him for months about this car so it felt like I was being, it seemed like it was the hardest job I ever had. Well, the last thing I want to say I was insubordinate about is that when somebody steals a bunch of stuff and is prosecuted and I called him a damn thief, but I find it hard to take orders from somebody like that and as far as him not having a clue about what I do, he did not have a clue. He didn't know I flew in five helicopters. He didn't know that I've had twenty five 1st responder calls helping people out here. He didn't know half the stuff I did. He just knew that I wasn't patrolling the Beach and that was his main concern. Patrol that Beach, Patrol that Beach, Patrol that Beach it's either the Beach and the four-wheelers. Well, it got tiresome after awhile but going back to this thieving thing, I've got four letters here, depositions that saw him take these logs out of here with Grand Valley equipment. He took them on the dump truck and the backhoe trailer. And they lied to me. I mean Herb himself even lied to me because I'll read you my statement. I Billy Hatfield did observe on my security rounds on August 23, 2008 that approximately 50-60 full size logs had been loaded on the backhoe trailer. On August 24, 2008 I found out from the Sheriff's Department there had been a call that someone had stolen the truck and trailer. It was later that we found out it was Kevin Brewer who is the maintenance supervisor. He had taken the logs in question out of the Valley. I reported this to Herb Chambers the following Monday. Herb told me they were just pieces of logs that were given to the P.O.A. that I should not worry about it. Frank Billions who's working at the gate at the time called and told me that it was Kevin Brewer who took the logs and that he had received a call from the sheriff. I have that in my log book. I have a log for everything that I did. I worked for one year and two weeks without a day off except when I got surgery. And I know I couldn't figure out why Kevin had picked this date to fire me because we didn't fit, I just couldn't clash with him. I looked at him and think thief, thief, thief and he tried to tell me how to do security. Well anyway, I found out today as a matter a fact, the reason that he did it that day is because he thought he got off on those log charges. They were investigating him, they did take him to court and he thought he got off. Well, I'd like to read a statement that I got today from the Sheriff. Hardeman County Sheriff's Department Criminal Investigation Division. On June 12, 2009 at approximately 15:00 Billy Hatfield came to the Sheriff's office and brought four letters which were written by him and three other residents of Grand Valley. He also brought a log pad that he advised that he had used at Grand Valley. The new information will be followed up on, anyone with any information concerning these thefts are asked to call investigator Mike Kennamore at the Hardeman County Sheriff's Department at 731-658-3971. And we just happen to have pictures of said logs and speaking with the investigator today I learned that the total amount of materials missing from that jobsite added up to \$38,521.24.

And this is everything you need to build a log cabin. And if you think I was insubordinate well you know I am. Thank you.

Richard Badour asked Herb Chambers to address this. Herb Chambers stated that when Billy called me, exactly what he said was not exactly what I said. I told him that the logs were given to Kevin Brewer from R.E.S. Construction, don't worry about it. I did talk to Kevin, he used Grand Valley's equipment and he shouldn't have. What happened was R.E.S. Construction gave those logs to Kevin when they were in here. If you go back and check the date that Frank Billions wrote the guardhouse report about the logs leaving it was on August 24. Shortly after that, it was roughly a week later, Homeowners Mortgage was out here. I went over to and by the way these logs came from N970 not N366 like Kennamore was investigating. And then when Homeowners Mortgage came out here, I took Carol Addy and Keith Hodgson over to, we toured all the log home sites, went over to N366 had this discussion with Keith Hodgson a month ago and he verified the logs were there at that time. Kevin already had his logs prior to that so someone else has taken the logs.

Richard Badour read a letter that was written to Mike Kennamore from Ric Shoemaker, Owner R.E.S. Construction. Mr. Mike, it is my professional opinion that the logs that were cut from N970 (since the house was too large to fit the lot) and excess logs left on various job sites which were cleaned up by Grand Valley P.O.A. which was authorized by Carol Addy (Homeowners Mortgage) that the shop shown in the photos sent to me could be constructed. Please email me back that you received this, and if you have any further questions please don't hesitate to contact me.

Richard Badour read the letter that Ric Shoemaker the Owner of R.E.S. Construction, emailed to Grand Valley Lakes concerning the logs. It read; As per our discussion on June 9, 2009 concerning the logs that were given to Mr. Kevin Brewer. We had to cut down the size of the house located on N970 so it would fit on the Lot. Mr. Brewer asked what we were going to do with these excess logs, and since we had no use for them I authorized Mr. Brewer to get them if he wanted them. Should you have any further questions concerning this matter please do not hesitate to contact me.

Richard Badour went on to add that Kevin Brewer produced receipts for the windows, doors, and shingles for the shed that he built.

Billy Hatfield said what about our equipment? You need to read that letter that I just brought up there cause it's dated today and that's at 3:00 and this investigation is not closed because I am sending Coastal Bank in South Carolina the rest of my affidavits and everybody's gonna get a copy of it, Eagle Construction, Coastal Banks and everybody's gonna get a copy of this.

I had a guy arrested for stealing an air conditioner cause his kids were hot and you think I'm gonna let him steal \$30,000.00 worth of material and not do nothing.

Richard Badour asked, "who is your new employer"?

Billy Hatfield stated that he works for Tim Gibbs of Eagle Construction. He hired me that day after Kevin fired me when he found out I got fired to go protect his log homes because the main person in charge is the one who stole all the materials.

Discussion from the Board and from the crowd continued.

Richard Badour asked for a motion to table this until the completion of the Sheriff's investigation. Jess Bebee motioned to table until the completion of the Sheriff's department investigation. Betty Boggan seconded. Motion carried.

Kevin Brewer read his statement as follows; I started September 2004. The day I started here I brought in \$15,000.00 worth of personal tools that I didn't have to. The ice storm on December 23, 2004, I spent two days out here pulling people out of ditches with my own truck and I didn't ask permission. When we started repairing the Lodge we didn't have the tools to make the repairs. I brought in my own skill saws, miter saw, nail guns, and paint rig. I went and bought a table saw to use on the Lodge. The P.O.A. didn't really need one. When we painted on the Beach, I brought in my \$600.00 paint rig and my generator also. When cutting brush on the Levee, I had to bring in my chainsaw because the P.O.A.'s was broke down. When Grand Valley had a water leak, I sent Melinda and my truck and a trailer to Atwood, TN to pick up parts that we needed to make the repair. I didn't ask anybody's permission. When they wanted to build the Gazebo they asked if we had a generator, I said no so I let them use mine. When we built the bathrooms downstairs I brought in my woodworking tools, miter saw and drywall tools in to speed up the progress. I didn't ask anybody's permission I went ahead and used my equipment. When we rebuilt the Guardhouse, I once again brought in my woodworking tools and drywall tools. Countless times I've used my own truck on my time to pick up materials for different projects around the Valley. When the P.O.A. bought the Dump Truck in Bolingbrook, IL, I drove my truck to pick up the truck. I was hired in as salary for 40 hours a week, but I was on call 24 hours a day 7 days a week. I understood this is normal for a maintenance person. I've been called out here on many occasions for water related problems and weather related problems after hours, nights, weekends, with no complaints.

I understand these situations are part of my responsibility. I've worked out here until 3:00 A.M. after working a full day a couple of times and I don't have any problem with this. I did not ask permission to use the dump truck, I was dead wrong. I paid for the fuel that went into that dump truck. About a year and a half ago, the State of Tennessee decided we have to check the water system 7 days a week 365 days a year. I have been coming in here every other weekend, me and Johnny swap. I've been driving my pick-up in here every other weekend not getting paid for it, it's part of the job I don't care it didn't bother me. Three or four months ago it was brought to my attention that I should be paid for the fuel for my driving in here to check the water, takes me two hours a day, 4 hours a week every other weekend. Now as far as the green chevy being at my house, yes, now every other weekend I take the green chevy home because I have to come into work to check the water. Discussion continued on the use of the green truck. Jess Bebee made a motion to table until the completion of the Sheriff's investigation. Betty Boggan seconded.

George Fusner addressed the Board by stated that you have a right to either do nothing or you have a right to rehire someone. Anyone can be terminated anytime even without cause, you don't have to have cause to terminate someone. The employee can leave anytime without cause. Mr. Hatfield has asked to be reinstated and the Board can take a vote to reinstate Mr. Hatfield.

Jess Bebee made a motion to reinstate Billy Hatfield as Security Chief. Gelene Keithley seconded. A vote was taken by the Board of Directors and the results were as follows:

Bob Turner-Yes

Phil Hickerson-Abstain

Bart Creedon-No

Gelene Keithley-Yes

Bill Wilson-No

Jess Bebee-Yes

Betty Boggan-Abstain

Aaron McGregor-Yes

The motion to reinstate Billy Hatfield did not pass. There must be five yes votes to pass.

Larry Brown is on the Agenda for Golf Course signage. Larry Brown stated that he wanted to put up a Golf Course sign where Deer creek Golf Club sign was. There was discussion about the signage. Larry Brown would like to replace all the Deer Creek Golf Club signs with Grand Valley Golf Club signs. Jess Bebee made a motion to update the signs for the Golf Course and work with Kevin Brewer on the sign for the front gate, Betty Boggan seconded, Motion carried.

Ladies Club:

Joanne Wilson read the Ladies Club report. The Bean Supper fundraiser was a success and want to thank everybody that helped support it. The Boat Parade needs judges. We need security during the Parade. The yard of the month is going strong, look at our website.

Richard Badour stated that he had one last item to talk about, it's something a little different. In our community we have police officers, we have Johnny down on eleven and Tim on Fairway. An incident was brought to my attention by Kevin Brewer, we also have a canine police officer in the Valley, as all animals are and will be this one is in a pen and when he gets a chance to get some exercise, he might get a little invigorated and carried away. He did get loose and he was shot with a pellet gun. You can tell your neighbors whatever you want, shooting a police dog is a federal offense. Take it to the bank and I am going to personally offer, a \$200.00 reward for information leading to the arrest and conviction of whoever shot that dog. I mean that. That animal has no way to defend himself and the service he performs he puts it on the line everytime that he's on duty. So anybody who wants to make \$200.00, all you have to do is turn them in. Thank you.

Old Business:

Jess Bebee asked about the Lake study. Herb Chambers stated that he has the information and because there was so much going on tonight, I decided not to bring that up because it's going to get pretty involved and Kevin and I need to look at expense and check around for cheaper pricing. Bill Wilson asked if we have a problem on the Lake and Herb Chambers said yes.

Jess Bebee asked if we turn the sand at the beach annually, Kevin Brewer stated that we disk it up every two weeks. Discussion continued on the beach.

New Business:

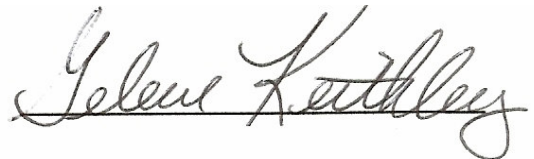
No new business.

Adjournment:

Bart Creedon made a motion to adjourn the meeting, Bill Wilson seconded, motion carried. Meeting was adjourned at 9:45 P.M.



Vice-President



Secretary