

MINUTES
SEVEN LAKES LANDOWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS OPEN MEETING
OCTOBER 24, 2007 AT 7:30 PM

President Truesdell called the meeting to order with directors Florence, Nuti, Stephan & Zielsdorf in attendance. Manager Fulcher, Assistant Manager Beane, Reporter Hankins and 35 residents were present. Truesdell thanked everyone for their efforts during this time of water restrictions.

MINUTES: On a motion by Stephan and seconded by Zielsdorf, minutes of the September 26 and October 10, 2007 meetings were approved.

SHAW LAWSUIT: See attached Lawsuit Update that was read by Truesdell.

RULES & REGULATIONS: Board discussed and recommended several miscellaneous changes. On a motion by Nuti and seconded by Stephan, the Board approved the amended Rules & Regulations.

MULTI-USE COURT: Board and residents discussed. On a motion by Nuti and seconded by Zielsdorf the Board approved the multi-use court with a \$6000 cap on the expenditure. Hudson and Stephan voted against the court due to liability concerns.

NOMINATING COMMITTEE: The only person nominated was Ed Nuti. On a motion by Zielsdorf and seconded by Truesdell, the Board approved Ed Nuti to chair the Nominating Committee. Make yourself known to Nuti before December 12th if you want to run for the Board.

LOT 610 SEPTIC SYSTEM: See attached map. On a motion by Nuti and seconded by Stephan the Board approved to deed the land indicated with the blue dot to the owner of lot 610 since their septic field is on the property marked with the blue dot. The Board unanimously approved.

BUS STOPS: See orange dots on the attached map indicating proposed school bus stops. Board and residents discussed. On a motion by Stephan and seconded by Nuti the Board unanimously approved the bus stops.

PERSONNEL: Board discussed newly formatted Personnel Manual. On a motion by Nuti and seconded by Stephan, the Personnel Manual was approved. Florence voted against the new manual.

LONG RANGE PLANNING: Stephan stated we need a vision for Seven Lakes. Need to plan for roads, dams and all infrastructures. Board discussed and Truesdell asked for volunteers for a Long Range Plan Committee.

DATE CHANGE: On a motion by Nuti and seconded by Stephan, all the Board approved the November meeting date to be changed to November 7th.

COMMITTEE REPORTS:

RECREATION: Beane reported the Halloween carnival would be at the NCH on Oct. 31 from 6 to 8 PM. Halloween Egg Hunt and Slime race will be at 7 PM. Had a good turn out for the State Fair. Bus trip to Christmas Show in Charlotte is being planned.

FINANCE: Fulcher reviewed the attached Revenue and Expense Report.

MAINTENANCE: Nuti complimented the improved yard debris site.

COMMUNITY STANDARDS: Zielsdorf reported Judicial had decided in favor of the Association. Resident complied. The committee is studying boat-parking rules.

DAMS: Truesdell presented the attached report.

ARB: Stephan reported some of our spec homes are not up to snuff. Houses need to be jazzed up. Two new houses were approved, one on Winsford and one on Firetree.

SECURITY: Call the gate early if you are expecting guest for Halloween. Roving patrol will help at the gate. Always report unusual activity at your neighbor's house.

ADDITIONAL:

New software will be purchased soon for the office.

Craig Carey will be helping with software conversion.

New Health insurance for employees will start December 1.

After 21 years of employment, Vicky Strider will be leaving the Association.

Nuti reviewed the "Do Not Call" information that was e-mailed by the Association.

Meeting adjourned at 9:10 PM.

Respectfully Submitted by Vicky Strider

FROM: Don Truesdell
DATE: October 22, 2007
TO: File

Subject: Lawsuit Update

"I would like to bring you up to date on the lawsuit filed against the Seven Lakes Landowners Association by Alan Shaw, Charles and Jane Leach, Stephen and Mary Hudson and Thomas and Roberta Robinson. Our insurance company has selected the law firm of Cranfill, Sumner and Hartzog to represent us in this matter. Ms. M. Robin Davis and Ms. Katie Weaver Hartzog, attorneys in this firm, have been assigned to represent us.

On October 5, 2007, our attorneys responded to the allegations contained in this lawsuit to the Clerk of the Superior Court of Moore County. The plaintiffs did amend their suit to eliminate the named directors, Douglass, Nuti, Truesdell and Zielsdorf, as named defendants.

Our attorney's response also included a motion to dismiss. This motion was originally scheduled to be heard on November 5, 2007, but because of the plaintiff's amendment, the hearing has been rescheduled and as of today no date has been assigned.

The Seven Lakes Landowners Association Board of Directors is confident that our position will prevail in court."

file:pc24

FROM: Don Truesdell
DATE: October 24, 2007
TO: File

Subject: Lakes and Dams

Number of pages: 2

We have finally received John Eddy's report on our dams dated October 12, 2007, his project number EEPC Project 2007-040-00. His report consists of 9 different

components: 1) Dams Safety Evaluation Executive Summary; 2) Echo Lake Dam Safety Evaluation Report; 2) Sequoia Lake Dam Safety Evaluation Report; 3) Big Juniper Lake Dam Safety Evaluation Report; 4) Longleaf Lake Dam Safety Evaluation Report; 5) Little Juniper Lake Dam Safety Evaluation Report; 6) Timber Lake Dam Safety Evaluation Report; 7) Ramapo Lake Dam Safety Evaluation Report; 8) Dogwood Lake Dam Safety Evaluation Report. As you can see this is a very lengthy and comprehensive report.

The Lakes and Dams committee will have to evaluate this report and prioritize the items to determine the items that need to be addressed. Having read the Dams Safety Evaluation Report I would suggest the following items: 1) Survey all dams except Echo. Echo Dam was surveyed as required by our state mandated repair. 2) Examine the overflow spillways and the downstream piping to determine which downstream piping has to be photographed to identify any leaks. 3) Establish a plan to remove all brush less than 4" in diameter from the downstream perimeter of the dam. 4) Purchase portable piezometers that will allow us to take readings of the water pressure inside of each dam. We have never collected this data and it is an indication of the performance of the dam. 5) The Lake Timber Dam will be classified as a high hazard dam as soon as a house is built downstream of this dam. Several lots downstream have been sold. We need to develop a plan to remediate this dam so as to avoid the dreaded Notice of Deficiency letter sent by North Carolina Department of Environment and Natural Resources via certified mail with a return receipt requested. 6) Perform normal maintenance such as replacing the rip rap on selected areas of all dams. These issues will be discussed at the next committee meeting and a report will be made back to this board.

I have spoken to the Seven Lakes Country Club and they have agreed to make available water from Lake Windemere to pump to Little J. The infrasturcure consisting of a 6" pipe and the pump are already in place. Based on the pumping velocities used

by the Moore County Public Utilities of 5 feet per second this pipe will be able to provide 1800 gallons per minute. The pumping time will be three hours (180 minutes) or we can transfer approximately 324,000 gallons of water. Based on the fact that Little J has a surface area of 6.3 acres this will raise the water level by approximately 2".

The question is whether the water quality in Lake Windemere is acceptable to be used in Little J. We have the Carolina Environmental Laboratories, LLC reports dated May 16, 2007. Water samples will be taken again before the end of this month. We will then have two different sets of data to evaluate and make a final decision. We can also check the data for these lakes (Windemere, Little J, Big J, Longleaf) for the last three years. We certainly do not want to contaminate Little J or Big J if the water from Windemere is not suitable.

file:pc26

FROM: Don Truesdell
DATE: October 24, 2007
TO: File

Subject: Health Insurance

There are several changes in our health insurance census. We are currently talking to NCBCBS and The Castleton Group about providing health insurance for our employees. I expect we will be able to provide the new coverage as of December 1, 2007. The new coverage will be a win-win. The Seven Lakes Landowners Association will be able to offer a much better benefit at a much lower cost to the Association. The savings will be significant.

file:pc29

FROM: Don Truesdell
DATE: October 24, 2007
TO: File

Subject: Office Software Conversion

We are currently using a software package that only runs in DOS and dates back to 1986. It still functions however if we need assistance the company that supports this package has a difficult time finding an analyst that is fluent in DOS. We have gotten our money's worth but it is also time to upgrade. Our current vendor is Harris Software and the Windows conversion of their program does not seem to fit our needs.

This morning Dalton, Debbie, Vicky and I visited Pinewild to check the software they are using. The software installed at Pinewild is Quick Books Pro and Transaction Pro Importer. The cost of the software for four users is approximately \$900.00. We may have some other expenses such as converting data from Harris Software to Excel, new printer and other miscellaneous items, however I do not anticipate that we will spend more than \$5,000 for this conversion. We currently spend \$1,800 per year on a maintenance fee with Harris Software. The only yearly maintenance fee is the update for tax tables that will allow us to continue doing our payroll in house. Pinewild has been very gracious and has volunteered to help in our conversion should we decide to go with Quick Books Pro.

The next step in our timeline is to check with our software consultant to determine if it is possible and feasible to write a program that will convert our DOS data to an Excel spreadsheet.

We hope to take a decision in the near future and have the new system up and running by March 1, 2008.

file:pc27

ROM: Don Truesdell
DATE: October 24, 2007
TO: FiFle

Subject: Vicky Strider

I regret to announce that Vicky Strider will be leaving the Seven Lakes Landowners Association for an opportunity in Robbins. Vicky has been with us for 21 years and is responsible, among other things, for our accounts payable. She and Dalton countersign each check that is issued. She

has managed our money as if it were her own. Her last day is Friday, October 26, 2007. She will continue on a part time basis to help in this transition. I wish Vicky and her daughter Brooke best of luck in the future and good luck with your new job. You will certainly be missed.

During this transition period beginning Monday, October 29, 2007, I ask for your understanding. The office will be shorthanded and we need your cooperation. Thank you.

file:pc25