

RESOLUTION OF THE BOARD OF DIRECTORS OF
CLIPPER ESTATES MASTER HOMEOWNERS' ASSOCIATION, INC.

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Article I.

BE IT RESOLVED, that the Board of Directors of Clipper Estates Master Homeowners' Association, Inc. through the authority established in the Covenants, Conditions and Restrictions filed as Instrument #935464 on January 17, 1995 more specifically established in Article IV The Association. Section 4. Further Duties of the Association: (a) To enforce the provisions of the Governing Documents by appropriate means and to carry out the obligations of the Association thereunder; and Section 5. Further Powers of the Association: (b) exercise all of the powers set forth in the Founding Documents; and, (c) do and perform any and all acts that may be necessary or proper to benefit the Members or for the exercise of any of the express powers of the Association; and Section 6. The Board of Directors: All rights, duties and powers of the Association shall reside in and be exercised by the Board; and Section 8. Association Rules: The Board shall have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable and as provided in the Founding Documents; does hereby adopt the OPERATING PLAN by Unanimous Vote of the Board of Directors on November 18, 2008 as follows:

MISSION: To efficiently manage the operating maintenance and improvements of the Clipper Estates Subdivision in a manner consistent with the established Covenants and by-laws. This is driven by the need for low and predictable costs to the homeowner.

GOALS:

1. Cost Control.
2. Financial and Operational Transparency.
3. Contract, Purchasing Management and Accountability.
4. Efficient and Cost effective maintenance/capital System.
5. Maximize resident participation in beautification, maintenance, finance and capital improvement activities (i.e.: Special Projects).
6. Firm and consistent enforcement of the Covenants, Conditions & Restrictions (CC&R's).

1. COST CONTROL:

- a) Cost control is a management responsibility but is highly dependent upon the expectations and behaviors of the residents. Management should strive to provide the needed services at costs not to exceed the average for established equivalent homeowners' associations.
- b) Cost saving initiatives will be communicated and documented by employees, contractors or residents in order for the board of directors to fully evaluate each expense (i.e.: adopt budget).
- c) Residents need to maximize written communications to the office personnel. The efficient utilization of office personnel is severely reduced by frequent resident visits that often ask the same questions and involves idle communication.

OFFICE VISITS BY RESIDENTS SHOULD BE DISCOURAGED, UNLESS NECESSARY.
ALL OFFICE VISITS SHOULD BE BY APPOINTMENT ONLY!

- d) Cost control for contracted professional services, including but not limited to (Legal, Architectural, and Accounting) should involve a written description of service required and should focus on necessary (must do) items and not superfluous (nice to do) or redundant items, Feedback from the professionals in ways to improve efficiency and reduce hours of wasted time should be encouraged and evaluated.
- e) Time consumed and charges incurred by CEMHOA that are associated with specific lot, home site and/or resident (i.e. fences, swimming pools, new construction, lawsuits etc..) should be accounted for separately and charged to the lot owner (similar resolution adopted by the board

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10/04/2006, pertaining to all legal charges incurred).

- f) Current copies of the CC&R's for Clipper Estates will be available on the Web Site. This should be updated as needed so that it always will remain as the residing OFFICIAL DOCUMENT of record. This should reduce the current communication load in this area as well as providing a mechanism of communication to prospective/current lot owners about the rules that they are required to adhere to.
 - g) Utilization of the established parcel representatives, and the elected board members should be encouraged in order to minimize communication workload in the office and to help make sure that our elected representatives are aware of all residents concerns. They are our spokespersons with the management system and have more clout than we do as individuals. All questions or concerns by any resident should be relayed to there parcel representatives, who in turn should report to the elected board members any input they receive. The elected board members should at the next available board meeting relay any questions or concerns in a business like and professional manner not to allow personal feelings to get in the way of the concerns of all the residents.
2. FINANCIAL AND OPERATIONAL TRANSPARENCY:
- a) All HOA bills should be made out to CEMHOA and all checks and payments should be disbursed from the CEMHOA account and utilize CEMHOA checks only. This will make it easier to account for all expenditures in a clear and concise manner.
 - b) All CEMHOA data should be made available to any resident upon a written request in a reasonable amount of time,
 - c) Annual reports should be posted on the website and continued to be mailed to each lot resident. These reports include a brief summary in laymen's terms, to assist all residents in facilitating a better understanding of all work performed.
3. CONTRACT AND PURCHASING MANAGEMENT AND ACCOUNTABILITY:
- a) All contracts should be documented and specify the goods and/or services provided and the cost. Where possible, Penalties & Incentives should be considered for not completing the work on schedule and this should be incorporated into the contract. All this should be complete before the work begins.
 - b) All purchases must be dated, have a receipt and documentation stating the reason for the purchase.
 - c) All purchases and/or contracts over \$2500 must be accompanied by at least 2 other documented alternate bids and/or competitive prices. If exceptions are required through documentation of reasons must be submitted. All Board members should be made aware of this information in a timely manner.
 - d) Elected board members should be made aware of all bids/contracts/purchases in excess of \$2500 before the transaction is initiated. This does not pertain to any "emergency" situations/decisions that may come up that the president of the CEMHOA has to make in an emergency situation and in no way is meant to undermine the daily operations or the CC&R's of the CEMHOA.
 - e) Office/Clerical personnel should have, written job descriptions. This should specify, key responsibilities and expectations.
 - f) All Contracts for Professional services (Legal, Architectural, Accounting, Management etc.) will be presented to the full board for approval prior to the issuance of the contract (i.e.: Annual Operating Budget).

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4. EFFICIENT AND COST EFFECTIVE MAINTENANCE AND CAPITAL SYSTEM:

- a) Solicit homeowner participation in Maintenance/Capital Planning, and Finance Committees through the re-establishment and implementation of these committees to make all recommendations to the Board for its approval and incorporation into the Annual Operating Budget.
- b) Generate short and long term maintenance plan to establish current and future spending needs (i.e.: Road Repairs, Bad Debt Expense, Past Due Receivables, etc.).
- c) Maintenance/Capital Planning Committee should be actively involved in the gathering and evaluation of bids on contracts for maintenance projects. With increased energy costs roadwork has become increasingly expensive and NO ONE LIKES SURPRISES!!!!!!!
- d) Maintenance/Capital Planning Committee should be actively involved in Special Projects as well as establishing long term goals for all projected fixture Capital Expenses.
- e) Finance Committee should be responsible for evaluating the annual/quarterly operating budget and make recommendations to the Board prior to any meeting.
- f) Maintenance/Capital Planning should follow the contracting/purchasing process in Section 3 as a minimum.

5. RESIDENT PARTICIPATION:

- a) Maximize resident participation by establishing committees such as maintenance, yard of the month, garden club, holiday decorations, rules enforcement, capital spending, finance committee, etc.
- b) No resident should serve on more than one committee without Board approval. This should allow more input and participation from residents and not have a select few making all the recommendations to the board for the entire subdivision.
- c) No resident shall be allowed to serve on any Board or Committee if the resident has a delinquent receivable due to the CEMHOA for any reason!

6. COVENANT ENFORCEMENT:

- a) Subdivision CC&R's were established to preserve and enhance property values, heighten safety, promote community awareness and ensure that a minimum set of standards are maintained by each resident,
- b) These rules are for everyone and should be administered fairly and consistently by the Architectural Review Committee.
- c) The first step towards full compliance is to have an easily accessible copy of the CC&R's on the web to allow all residents to know what is expected of them, just in case they did not receive a copy when they purchased their home/lot.
- d) It is each resident's responsibility as homeowners to comply with the CC&R's of the CEMHOA, which can be viewed on the Clipper Estates website.
- e) Willful violations should be addressed immediately and consistently. Empty lots are private property; trespassing and dumping laws should be enforced when others place articles/materials on these lots (i.e. contractor materials, trash, vehicles, trailers, etc.) It should not be necessary for lot owners to put up fences to keep vehicles from damaging the lot.
- f) Trailer and RV rules need to be enforced.

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Article II.

BE IT FURTHER RESOLVED, The BOD accept the operating plan as drafted and modified by Ken Diamond with a special note to commend Ken's efforts to generate the plan and work with the Board to adopt it.

Article III

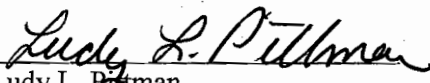
BE IT FURTHER RESOLVED, that the BOD approve management's proposed 2009 budget that includes a special assessment of \$200.00 and a quarterly dues increase to Road Reserves of \$20.00 with the understanding and agreement with the developer that the developer will fund a total 92 lots for the storm assessment of 2/9/2006 at \$600 per lot less any number of lots paid to date to be deposited no later than June 1, 2009 and to be held into this account for a maximum of 2 years from the time of funding at which point in time the BOD will be responsible for the future use of appropriations of said funds and that no withdrawals can be made without the concurrence of the BOD. The Interest bearing account for this account will require two signatures on the checks and one will be an elected BOD member's signature. This resolution is to be incorporated into the approved operating plan of 2008. And \$100.00 of the special assessment will be deposited into the Road Reserve and the balance to be used by operating fund. The Road Reserve funds will be deposited by the 10th of each month for the preceding month's receipts of Road Reserve funds, and the 90 day balance of the current accounts receivable as of December 31, 2008 will be deposited into the Road Reserve Fund up until the Road Reserve is brought current. This will take effect on January 1, 2009.

Note to Article III: Developer agrees to pay the above if Pat Joffrion agrees to stop all actions against Jeff until after the audit and all other items accepted unanimously.

Note to Article III: Board member Pat Joffrion made the following statement and requested that it be made a part of the minutes:

I, (Pat Joffrion) agree that any and all actions that I am taking against Jeff Neupert, including complaints, allegations, lawsuits, etc., will immediately stop and be put on hold pending an independent audit of the CEMHOA financial statements. I, (Pat Joffrion) will immediately contact the Society of Louisiana CPA's and state the above mentioned facts as well as contact Jeff Neupert with the same.

I, certify that I, Ludy L. Pittman, am the Assistant Secretary of the Clipper Estates Master Homeowners' Association, Inc., and that the above resolution is a true and correct copy of a resolution unanimously adopted at a meeting of the Board of Directors of the corporation held at its office on the 18th day of November 2008, with a quorum of members of the Board of Directors being present and voting.


Ludy L. Pittman,
Assistant Secretary / Assistant Treasurer

ATTEST:


JOSEPH S. TUFARO, PRESIDENT