

Sun Eagle Bay Owners Association Board Meeting

August 16, 2008

Board Members in attendance: Jewel Kelly, Vickie Crews, Thom Hanford, Fred Howard and Bobbie McCormick

Board Members absent: None

Secretary's Minutes: Minutes of the July, 2008 meeting was read. A correction was made by Jewel Kelly. The correction being that the voting for the Board Member position was closed at 10:20 a.m. Minutes were approved as read with correction and filed for audit

Treasurer's Report: Treasurer's Report was read by Vickie Crews.

Barry Carlson, our CPA, reports we are doing very well in collecting dues this year. This same time last year, for this month, we are ahead in our collections. Our balance as of 7/31/08 was \$63,427.42. A deposit of \$3,628 was posted, and a payroll expense was paid, leaving a balance as of 8/15/08 at \$66,845.82. With our aggressive collections of past dues and upcoming legal fees, we are going to need all the funds we can get. There were no corrections or additions. The Treasurer's Report was approved and filed for audit.

Committee Reports: None at this time

Old Business: Jewel Kelly reports we have formed the following committees:

Steering Committee, Deed and By-Laws Committee, Sewer Committee Grant Committee, Membership Committee, and the Road Committee. If you have volunteered to be on a committee and have not been contacted, please come up and let us know after the meeting so that we can utilize what you are able to help us with or would like to do. A number of committees have already met and started their preliminary work. We really don't have any reports for you yet as everything is sketchy at this time. We are making progress, and am pleased with the cooperation and the number of people who are willing to give their time and effort towards to getting this project started. Each one of these committees is very important in order for us to move forward with what has to be done. The Steering Committee, Deed and By-Laws Committee, and Sewer Committee are in full swing, as well as the Membership Committee. The Road Committee has had one meeting. The only one that hasn't had a meeting is the Grant Committee, as we are not at a point where we can move forward. We hope to meet and start planning a strategy.

There was no additional “old business”.

New Business:

Under new business, some of you have asked how you can help, but you don't really have the time. One of the ways you can help is with the expenses of the mailouts. We are expecting at least three more mailouts. The cost for stamps alone for our last mail out was \$220.00. If you would like to bring by a book of stamps, we will take them. If you would like to buy some 9X12 envelopes, we can use those. The cheapest ones are the clasp type, however we would rather have the peel and stick envelopes, as these will be easier to use for 500 plus mailouts. We are more than happy to take any of that type of thing. The only thing we are restricted to is the labels for printing. We have to have a certain type. I think the label is the Avery 8161. But if you are willing to help us in that way, we will certainly take your help, and we will see that your product will get used for the project that you dedicated it for. The postage for mailing out the deed restrictions and by-laws will be about twice the normal postage. I will check with the post office to get the exact amount. Many people do not like to give money, because they are not sure that it will go where they would like for it to go, so we will take product and again, use it for the project that you dedicate it for.

Questions and Comments from the floor:

Jewel opened the floor for anyone else to comment on new business.

Ms. Jessie Wilmoth talked about the kids speeding on their bikes and scooters. She said that people will telephone her and Ron asking if he is making his rounds. She said it doesn't do any good for Ron to try to stop the kids, it is up to the parents to patrol their children. Jewel commented that she appreciates where Ron is on that. The kids look out for each other and will tell each other where the security guard is, and that the responsibility really does fall on the parents. The only thing that he can do is to go and talk to the parents. You cannot say that because somebody continues to do something wrong, that they haven't already been told it is wrong and not to do it. This is true whether you live in town or out here. The only difference is that in town, you can call the police. Jessie's concern is that someone is going to get hurt. Jewel said unfortunately that is what is going to happen, but the approach by most people is that something will happen to others, and not to me. That is why we have to remind people that when an accident happens, SEB is not liable. We do everything we can to enforce the rules.

Jessie also asked that people should put their membership stickers on their windshield. Jewel said that if people do not want to put the sticker on their window, they should at least put it on the guest pass.

Another member brought up the issue about the stop signs. Children and adults alike are not stopping, and someone is going to get hurt.

Adjournment:

No other questions or comments, meeting was adjourned.

Sun Eagle Bay Owners Association Board Meeting

September 20, 2008

Board Members in attendance: Jewel Kelly, Vickie Crews, Thom Hanford, Fred Howard and Bobbie McCormick

Board Members absent: None

Meeting was called to order at 10:00. a.m.

Secretary's Minutes: Minutes of the August, 2008 meeting was read by Bobbie McCormick. No additions or corrections were submitted. Minutes were approved as read and filed for audit

Treasurer's Report: Treasurer's Report was read by Vickie Crews.

Balance as of August 31, 2008 was \$64,517.74. Expenses so far this month are \$2,867.35, leaving us a balance of \$62,458.39. Also, because of collections of back dues which include the road fund dues, the road fund now has a balance of \$962.31. There were no corrections or additions. The Treasurer's Report was approved and filed for audit.

Committee Reports: Jewel reported on the efforts of the collection committee. The internet is being utilized to find addresses; we are re-mailing invoices, sometimes to two addresses, if that is what we find. We are developing a procedure to file a lien against these delinquent accounts, and will take great care to follow proper procedure so as to not get our hands slapped on the legality of filing these liens. We will start with 10 accounts that we know we can find and use these as a test case and hope to start moving forward from there.

Vickie Crews, Chairperson for the Deed Restrictions Committee, introduced the committee members, Elaine Tillison, Ardella Norwood, Rita Joiner, and Judy Holland. This committee got together almost every weekend in order to get these out to the membership ASAP. We did not agree on everything, but would come up with something that we thought was best for the entire body. No one is going to agree with every single item in these restrictions, but we ask that you to look at the collectiveness of the deed restrictions. The end of October ends the Grant period and the new one starts. The Grant process can take anywhere from 6 months to a year to complete. SEB will start applying for grants immediately following the passing of the Deed Restrictions. We are thinking positive here. The grant agencies want to see the deed restrictions with the grant request. It is imperative we have non-RV deed restrictions in place in order for us to effectively apply for these

grants. The committee will soon start working on the By-Laws. The By-laws and the deed restrictions will support each other, and we will get these mailed out to you ASAP.

Jewel also thanked everyone who has helped and volunteered their time to get the Deed Restriction packets ready. This is a 15 page document. The cost to mail these packets is 76 cents each. That is why we want to hand out as many as we can today. We ask that you read it thoroughly before asking questions. You can address your questions from the floor, or you can leave a comment in an envelope and put it in the drop box at the office. You can remain anonymous if you like. We are going to try to answer all your questions so that you do not have any doubts, fears, or misunderstandings that cannot be resolved.

Old Business: There was no "old business".

New Business: There was no "new business".

Questions and Comments from the floor:

A member announced that Section II member Johnny Tripley passed away and the funeral would be held today. Jewel mentioned that the Tripley family had just moved into a new home when his illness was discovered. She asked that we remember the family in our prayers.

Another member asked if the voting for the Deed Restrictions would be based on a show of hands by those present at the November meeting. Jewel assured her that the voting would be held by paper ballot to insure that all members had the opportunity to participate in the decision of these new Deed Restrictions. The voting procedure, as explained by the Texas Property Code, is addressed at the top of your ballot. We also consulted with our attorney, Larry Wright of Mineola, a Real Estate Attorney, to assure we are following this procedure to the letter of the law. If you have any questions, please refer to the internet sites as provided at the top of the ballot.

Adjournment: No other questions or comments, meeting was adjourned.

Sun Eagle Bay Owners Association Board Meeting

October 18, 2008

Board Members in attendance: Jewel Kelly, Vickie Crews, Thom Hanford, Fred Howard and Bobbie McCormick

Board Members absent: None

Meeting was called to order at 10:00 a.m.

Secretary's Minutes: Minutes of the September, 2008 meeting was read by Bobbie McCormick. There were no corrections or additions. Minutes were approved as read and filed for audit

Treasurer's Report: Treasurer's Report was read by Vickie Crews.

Beginning balance as of August 31, 2008 was \$64,517.74. Ending balance as of September 30, 2008 was \$59,007.02. Expenses totaled approximately \$5,000 for the month, consisting of Sewer Hauling, our July and August Corporate Tax Filing, etc. Starting this month, we will post a detailed report, showing a beginning balance, every entry written for the month, and an ending balance. This is so the membership can see where their money is being spent. If you would like a profit and loss statement, come to the office and we will provide you with one. Total income to date this year is \$71,964, compared to \$59,595.33 for the same period last year. We are collecting more dues from the membership, including delinquent dues which also includes past road fund dues of approximately two to three hundred dollars. We now have enough money in the road fund to fix the problem area on Sun Eagle Drive. There were no corrections or additions. The Treasurer's Report was approved and filed for audit.

Committee Reports: Jewel Kelly reported that she would get with the Road Committee about the repairs to the section of Sun Eagle Drive. She received a bid from Larry Roach, and discussed with Larry about the longevity of repairs, and he assured her that he would make sure it would be packed down and would hold for a long time.

Old Business: Jewel reported the postage for mailing out the ballots was more than the estimated 76 cents per envelope as told to us by the post office. The cost was actually approximately \$1.17 per envelope due to the thickness of the envelopes. The Old Sisters Club stepped up and provided the additional funding needed to mail out the ballots. All ballots have been mailed. (a round of applause was given to the Old Sisters Club.)

Jewel continues to pursue getting closure on the suit filed against the contractor that did not finish the road project in which he received payment for. The Judge is still giving him a pass. The Judge decides

month to month which cases he will hear. There is nothing we can do to push this ahead other than to continue to talk with the District Attorney and hope our case will be heard soon.

Unruly children continue to be a problem here at SEB. Parents are asked to talk to their children about not bullying others and to be respectful to the smaller children. Also, young children are given full rein of golf carts and are using them in dangerous ways which can be harmful to themselves and others. We seem to have parents that don't care what their children are doing. You can call the Sheriff if you feel someone is posing a danger to others. A member asked if SEB carry's insurance in case of injuries on the playgrounds and boat docks. The answer is yes, we do carry liability insurance.

There was no additional "old business".

New Business:

Jewel read a letter concerning procedure of the deed restriction committee and information about the final tabulations of the votes. A copy of this letter will be provided to any member upon request.

Jewel introduced Darrell Crews who made a presentation about various sewer system options for SEB. Darrell mentioned 4 systems....

1. Gravity Fed System
2. Vacuum System
3. Pressure System
4. Aerobic System

Various bids have been received in the neighborhood of \$1,000,000.00 to \$2,000,000.00, with one contractor wanting approximately \$50,000 up front just for a study of what might be needed to provide SEB with a viable sewer system.

A video presentation was seen about the Vacuum System. This appears to be an affordable system, at this time.

Questions and Comments from the floor:

Jewel opened the floor for anyone else to comment. Several members brought up questions about the proposed Deed Restrictions and the Board answered these questions as best they could. Not everyone is going to agree with all the deed restrictions, but at this time, the vote is to take the whole package, and in the future, the deed restrictions can be amended as deemed necessary. More questions were raised about the involvement of the Texas Commission on Environmental Quality (TCEQ) and the concern that we may be forced to obtain a central sewer system sooner than later. As long as the TCEQ sees that we are trying to move forward to obtain the funding needed to put in a sewer system, they will give us more time.

Adjournment:

Meeting was adjourned at 1:30 p.m.

Sun Eagle Bay Owners Association Board Meeting

November 15, 2008

Board Members in attendance:

Jewel Kelly, Vickie Crews, Thom Hanford, Fred Howard and Bobbie McCormick

Board Members absent:

None

Meeting was called to order at 10:10 a.m.

Secretary's Minutes:

Minutes of the October, 2008 meeting was read. There were no corrections or additions. Minutes were approved as read and filed for audit.

Treasurer's Report:

Treasurer's Report was read by Vickie Crews. September 30, 2008 balance was \$59,007.02, and the balance as of October 31, 2008 was \$61,140.15. October deposits totaled \$5,174.15, including \$1600.00 collected in back dues paid, thanks to our membership committee. (Jewel noted that the \$1600 was paid by one member that we have been working with for about 6 months to collect.) Vickie continued and reported that of the property owners that are in arrears, we will choose ten this week and will file liens against their property. There were no additions or corrections. The Treasurer's Report was approved and filed for audit.

Committee Reports:

None at this time

Old Business:

Jewel addressed the rumor that the road fund was used for expenses other than for the road fund. "At no time did we spend any road fund money for anything other than the road". Our accountants can verify this upon request.

Jewel addressed some misinformation about "grant money". In our meeting in October, we mentioned the possibility of obtaining grant money via SRA and other grant monies out there for communities like us. We were not told, however, that we would have to make the changes to our deed restrictions to receive these grants. We are looking at company's that will find us grants. One company we are looking at will not charge us out of pocket. They will collect their fee out of the grant money. If they are not successful in getting us grant money, they will not get paid. At this time we do not know what percentage their fee will be. This information came from Eddie Daniels, the engineering company who gave us the bid of \$2,000,000.00 for the gravity system. He will help us all he can, but is not interested in doing our sewer system, as we are too small. We will be asking our grant committee to work with these company's, and to search the internet, etc, to find us the funding needed to help pay for our sewer system.

Jewel did some research at SRA and TECQ, speaking with Mr. Noel Luper, Mr. Doug Belzer, and Mr. Ray Luce. She copied about 50 to 60 documents from back when Chuck Schram originally set up SEB. In 1986, he did get an estimate of \$375,000 to put in a sewer system. He decided it was too expensive and opted not to put one in. SRA agreed to give him a license to put in five holding tanks and two septic systems. The license was given with the understanding that no one would have water on their property. In 1987, the first person put in water. Schram told SRA, sorry, that is private property and he couldn't do anything about it. From that point forward, more people got water, and SRA told people, do not put water on the ground. It has never been legal to dump your grey water. In 1988, the Clean Water Act was signed by President Bill Clinton. It outlawed the type of sewer system that we have. In 1992, the President of SEB at that time went to SRA to discuss the possibility of putting in a sewer line.

The license that was given to Schram was a ten year license, and in 1997, this license for all our holding tanks and septic systems expired. (Mr. Luper and Mr. Belzer and Mr. Henry at SRA informed Jewel that the license had expired, prior to that; we had no knowledge of this license.) SRA had told us that grey water on the ground will be made an issue. TECQ realizes the process to put in a sewer system will take from three to seven years, and they are willing to work with us. You need to know that this board is not lying to you, that we are not taking "kickbacks" from anybody, that we are not pursuing this sewer system for our own "benefit".

Jewel thanked the deed restrictions committee for all the work they have done. One question brought up at last months meeting was "how many votes does it take to pass the deed restrictions"...our attorney has done a review of the property code, and based on property code 211.004B, it takes two thirds of the voting membership. Everyone has to be notified and given the opportunity to vote. If your mail comes back due to bad address, you were given the opportunity. Every effort to get a ballot to every member has been done. Carolyn Piper also questioned the process by which the voting of the deed restrictions was to be followed. The procedure says that the membership should vote on how we wish to proceed with the vote to change the deed restrictions. You are not changing the deed restrictions at that time, merely voting on how you wish to proceed. We were told that if we replaced the deed restrictions in its entirety, that we would not have to get a "vote to vote". Our attorney, Larry Wright, agrees that we should go back and do this step. Which means that we will not be counting the votes today. It was not our intent to mislead anyone.

The envelopes containing your votes, will be put into the large yellow envelopes, and sealed, and kept at Attorney Larry Wright's office for

four years. The envelopes were sealed with tape and were all signed by Jewel Kelly, Elaine Tillison, and Deputy Craig Deal. The reason for keeping the ballots for four years is to prevent more misinformation that might go around that we “looked at the ballots” to see how you voted, and also to prevent another lie that we took a straw poll with these votes, and that we “did it wrong intentionally, so that we would have an idea as to what we need to do.

In January or February, we hope to have representatives of the ORCA grant come out and explain to you how these grants work. And by March, we plan to have the procedure we need to have filed with the court and new procedure ballots sent out. The voting will be done by secret ballot. Then, if the procedure passes, we plan to vote on the deed restrictions at the annual meeting in July, 2009. That should give you plenty of time for you to tell us what you think should be in the new deed restrictions. We will ask the Deed Restrictions committee to reconvene. If anyone would like to join them, you are welcome to do so.

There was no additional “old business”.

New Business:

Sun Eagle Bay has a new website. Suneaglebay.com. Jewel thanked Ardella Norwood for all her hard work in creating the website. It is user friendly, clean cut and professional. It does not and will not have a chat room. This is how we are going to try to keep you informed. If there is incorrect information on it, please let us know so we may get it corrected. An email address has been set up for Sun Eagle Bay, suneaglebay@sbcglobal.net. You may send emails to this address, and Ardella will forward to the board member(s).

Questions and Comments from the floor:

One member asked how many ballots were sent in, Elaine Tillison answered “about 200”.

Another member asked about what financial institution would be willing to lend us the funds for a sewer system, and what type of collateral would be used. Jewel told her we do not know which financial institutions will support our needs, but at this time, we are not at the point of needing to pursue a loan. She gave an example of White Oak Shores using their accounts receivable as collateral. The member was concerned that we might have to put up our lots as collateral. Jewel assured her that would not happen.

A member asked why can't we re-plot our lots to make several lots into one lot...the answer was to go try it and see. And yes, you probably can put in your own septic system, but the catch is, once a public sewer is to in, by law, you will have to pay to tie into the sewer system.

Adjournment:

No other questions or comments, meeting was adjourned at 12:30 p.m.