

Sun Eagle Bay Owners Association Board Meeting

January 17, 2009

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 November, 2008 meeting was read. A correction was made naming Deputy Sam Threadgill as a signer of the ballots. A second correction was made naming Vickie Crews as the fourth signer of the sealed ballots. There were no additional corrections. Minutes were approved as read and filed for audit with the corrections.

Treasurer's Report: Treasurer's Report was read by Vickie Crews. Beginning balance as of December 01, 2008 was \$58,901.97, ending balance as of January 16, 2009 was \$58,034.50. Deposits during this period were \$1,510.65 including \$18.65 in interest. Our Road Assessment account has a balance of \$1,801.23. This increase in the balance is a result of continuing to collect back dues. There were no additions or corrections. The Treasurer's Report was approved and filed for audit.

Committee Reports: None at this time

Old Business: There was no "old business".

New Business: Jewel thanked Lands End Fire Department for offering their facilities for our January meeting. Last year we had 6 members at our January meeting. This year we have 35 members, thanks in part to this warm building. February 2008 meeting we had 2 members. Lands End has extended their invitation to use their facilities as needed, if it is available. We will hold our February meeting again here at the Lands End Fire Department.

Jewel introduced our guest speaker, Steve Kerbow, of Kerbow and Associates Consulting, Inc, Palestine TX. Mr. Kerbow discussed what he and his company can offer SEB in the way of assistance to obtain grants to help pay for a sewer system for SEB

One of the grants that might be pursued comes from the Texas Community Development Program. The purpose of this program is to provide grants for water and sewer and other infrastructure improvements to areas having no or inadequate services to meet State standards. The maximum grant amount is \$250,000, and local match of 5% to 20% is required, depending on number of persons benefiting. The program basics for this grant include:

1. Applications submitted once every two (2) years (next cycle is summer 2010).
2. Projects providing first-time water or sewer service receive highest priority.
3. Projects addressing TECQ Enforcement Action or violations given high priority.
4. Projects must be in areas where 51% of residents are considered lower or moderate income.

Another grant to apply for is the U.S. Department of Agriculture Rural Development – Rural Utilities Service. The purpose for this is to provide loans and grants for water and sewer and other utilities. A preliminary engineering report and environmental assessment is required prior to submitting application. It generally takes 48 months lead time before construction starts. There is no set limit on funding request. Actual grant percent award is based upon numerous factors, including existing rate structure and debt obligations, cost of service, customer incomes, and grant fund availability by Rural Development. A loan can be funded at low interest rates for non-grant portion of project costs with a 40 year repayment period.

There is another grant that Mr. Kerbow can help us obtain, but he said this is a grant we can apply for on our own, we wouldn't need his company. The grant is the Orca (Office of Rural Community Affairs) grant. Wood County will sponsor us for the ORCA grant, but we have to get them to agree to sponsor us, and then it's at least a year or two before that action becomes available.

A Certificate of Convenience and Necessity number will need to be obtained. Steve said we are going to need to get a financial analysis of what is needed and an engineer. For the size of our project, with a proposed bid of roughly \$2 million or so, we will need to go with other entities for funding. Two agencies can help...first is the US Dept of Agriculture (Rural Utility Service) and second is Texas Water Development Board (primarily a lending agency) The problem with using USDA is it takes a long time to obtain the grants and/or loans, sometimes four or five years. Darrel Crews interjected that he and Jewel have been working on this project for two years and have researched some of the same programs, such as the USDA, and SEB does qualify for these programs.

Mr. Kerbow suggested that one of the better ways to obtain funding is to get a loan from a bank because working with government agencies involves so much government red tape. It is very time consuming and sometimes not worth going thru a state and federal agency, because of time lags, you will be paying more in the long run. We can only work with residents who are full time residents. You have a lot of people in here who are weekenders. Jewel said we are more interested in seeing

what your company can do to help us to find grant money to help us put in a sewer system. We have maybe a five to seven year window that TECQ is willing to work with us to get this done. Steve will help us to pursue the ORCA grant, and will also assist us in pursuing additional grants we may qualify for. Basically he has agreed to help us where he can.

Jewel reported on the receipt of a certified and registered letter from TECQ (Texas Commission on Environmental Quality) dated January 14, 2009. (A copy will be posted on our website). This letter states that "Sun Eagle Bay's wastewater collection system is inadequate and substandard". We have thirty days to respond to this letter. I had hoped that we would not have received this letter for at least six months to a year. It does make us have to be more cognizant of what is going on, on our properties. Unfortunately it puts the Board in a position where we have to make a plan and we have to go forward, and we certainly want our community to support us. The two big issues are the license being expired. SEB no longer has a license period for a wastewater treatment facility. The second is the dumping of the grey water on the ground. In some instances Sun Eagle Bay as an ownership and the board will be held accountable. There are other instances where you as an individual property owner, will be held accountable.

We do not have everyone in agreement to move in the direction of obtaining a sewer system, however, the letter that we received from TECQ pretty well states that we do not have a choice except to at least look into finding ways to finance our issue. Steve said if you have ever dealt with a state agency, meaning TECQ, they can at any point and time fine property owners and/or make assessments to the property owners and do whatever might be necessary to fix the problem. Whether you like it or not, they have the authority and the courts have backed them up, so if you have been told you will correct this situation, then something has got to be done. TECQ will work with you until they determine you are not doing anything to correct the problem.

You, as a property owner, can take this as lightly as you want to, or you can take this as seriously as you want to. TECQ is telling us that if you are dumping grey water on the ground, or using lateral lines to dump your grey water, you are in violation of state law. We cannot dump grey water on the ground, period without first obtaining a permit from TECQ. Our first order of business is to beseech you to stop dumping your grey water. If they catch you, you will be fined, and SEB can be fined as well.

Regarding the Proposed Deed Restriction changes, Jewel will file the proposal to vote for new deed restrictions with the county clerk. The "vote to vote" has been approved by the deed restrictions committee, and Attorney Larry Wright has also reviewed and approved same. The ballots will be mailed to the membership no sooner than

February 20, 2009. This ballot is to give ourselves the right to change the deed restrictions when we feel they need to be changed by using a certain method of voting, which is 2/3 of the voting members and by secret ballot.

Adjournment:

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

Sun Eagle Bay Owners Association Board Meeting

February 21, 2009

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 January, 2009 meeting was read. A correction was made concerning the statement "We cannot dump gray water on the ground, period, without first obtaining a permit from TCEQ". That is a misstatement. A permit cannot be obtained from TCEQ. There were no additional corrections. Minutes were approved as read and filed for audit with the corrections.

Treasurer's Report: Treasurer's Report was read by Vickie Crews. Our beginning balance from 01/01/2009 was \$58,034.50. Ending balance as of 2/17/09 was \$56,416.33. Deposits were \$1,103.24. Interest was \$12.01. Our bills for the month were \$2,618.17. A breakdown of where some of the monthly expenses are as follows: Water - \$95.50; Electricity - \$1,011.87; Waste Water Retrieval - \$540.00; Stan's payroll - \$325.00; BPT Services - \$250.00; Phone and Internet - \$48.54. There were also golf cart repairs and office supply receipts paid. 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 talked briefly about the Neighborhood Watch Program. She asked that those who are interested in establishing a Neighborhood Watch Program, to give us your names. We will need someone to head up the Program if it happens at all. The Program will work hand in hand with security. Speaking of Security, we are looking for someone to do both security and maintenance. If you know anyone who might be interested, please let us know.

Jewel then summarized the reply she received from our guest speaker last month, Mr. Steve Kerbow, of Kerbow and Associates. Mr. Kerbow talked to County Judge Gene Brian, and was told that Wood County prefers to work with a local agency. He spoke with Clive Wineberg, the engineer that gave us an estimate of \$50,000 to start preliminary engineering design and paperwork. (We want to find some engineers that are willing to work with us and will take this project on a commission type basis, taking a percentage of grant money when we get it.) Mr. Kerbow agrees with the assessment by TCEQ that we cannot be considered an RV Park, since we are individual lot owners. By definition, an RV park has to be owned by one person, and can rent space. He agrees that our deed restrictions need to be changed. He suggests we will need to form a recognized TCEQ municipal utility water control district.

Jewel went on to say that a detailed plan has been submitted to TCEQ, in response to the Certified Letter received on Jan 15, 2009. A copy of this plan can be obtained at the SEB office, or is available on the SEB website under Wastewater Treatment Information.

She will also be meeting with a representative of the Texas Water Development Board, to give them some facts and information about SEB.

New Business:

Gwen Moore announced last month that the Ole Sisters Club was disbanding, and that being said, Gwyn Boisvert of 705 Raven introduced herself as being part of a new volunteer fundraiser group, the SE"B"s. The group consists of Erin Hanford, Nichole Pruitt, Tracey (last name unknown) and their husbands. Ms Boisvert said that in no way were they trying to replace the Ole Sisters Club, but that they wanted to carry on the volunteer sprit of SEB. She asked for anyone interested in future projects to add their names to a sign up sheet. Their first fundraising effort will be to hold a raffle and the first project they will tackle will be to pressure wash and paint the front gate.

Questions and Comments:

Jessie Wilson asked if he could be at the meeting with the Texas Water Development Board. Jewel said she would call and ask if they would object to having others at the business meeting, and she would respond to Jessie with an answer.

Lucky Norwood asked several questions and was answered as follows:

1. Is the treasurer paying Land's End for the use of their facilities?

Answer: No

2. Referring to SEB By-Laws, Article 3, Sec 5 and Article 6, Sec 3, why are we having a meeting at Land's End, and the answer is for comfort, then why can't we have meetings at SEB firehouse?

Answer: Land's End offered this facility to us, and we accepted in an effort to get more members to attend, to get people in out of the cold.

3. Article 6 Sec 3 makes provision for special meetings10 days written notice of special meetings

Answer, no special meetings were called, only working meetings for the board.

4. Why hasn't the board established an ACC as required in paragraph 1 of our deed restrictions?

Answer: Yes, the ACC consists of Roger Boisvert, Thom Hanford, and Robert Sickle

5. When are we going to get a security person?

Answer: whenever we find someone that is willing to work at a contract rate and must be willing to do maintenance work as well.

Jessie Wilmoth asked about a rumor floating around about individuals applying for holding tanks.

Answer: Two or three members asked if we could readdress the request with TCEQ for individual holding tanks. At the same time, one of our members came up and said, I have information from a magazine put out by Texas Coop that advertised certain kinds of things that can be done for small properties, will you research that? We researched and in the process we found an engineer that had been involved in that type of project and some of our members asked if they could meet with him. He came out and talked with some of the members and has taken names of people interested in individual septic systems, and he has agreed to research it. But then, someone called TCEQ and said the Board is going to do away with the Treatment Plant, and we can now have holding tanks, and I want you to come out and put one in for me. TCEQ says "no way".

As members of the board, we have an obligation to try to research various options for the membership but officially the Board says "at this time, the answer is equivocally "no", you can't have anything."

Adjournment:

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

Sun Eagle Bay Owners Association Board Meeting

March 21, 2009

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 10:12. a.m.

Secretary's Minutes:

Minutes of the February, 2009 meeting was read. Member Jessie Wilson objected to the statement that Jewel Kelley would meet with the Texas Water Development Board and that Mr. Wilson wished to be present at that meeting. The meeting was actually with the USDA (US Dept of Agriculture (Rural Utilities Service), at which Mr. Wilson was present. Jewel corrected her statement to read that she meant she was meeting with the USDA's Consultant and not the Texas Water Development Board. Mr. Wilson asked to go on record that he be present when there is a meeting with the Texas Water Development Board. There were no additional corrections. Minutes were approved as read and filed for audit with the correction.

Treasurer's Report:

Treasurer's Report was read by Vickie Crews. Beginning balance \$56,416.33, ending balance, \$48,782.13. Expenses were \$7,642.65. The reason this amount is so high this month is our insurance expense was \$3,858.58, contract labor, telephone, electricity, office supplies and other expenses, etc accounted for balance of expenses. There were no additions or corrections. The Treasurer's Report was approved and filed for audit.

Committee Reports:

None

Old Business:

We have asked some engineers to come out to take a look at SEB. We have no reports from anyone. We asked them to look at our place, decide if they want to do business with us, and if they do, to get back with us with an estimate for what a preliminary engineering review would cost, and also give us information about their company. We are merely gathering information at this time as part of Phase one, Data Research. (Please refer to Suneaglebay.com website for the complete business plan). Basically we are still in the process of self-assessment. This process includes protecting our current assets. This means we have to take good care of what we do have. That being said, if you see a dump station that is full, please do not use it. Go to another one, and please tell Thom or another board member that the dump station is full, so we can flag it and get someone out immediately to pump it out.

If you are doing work on your property, please be sure to obtain your work permits. We do not charge for these, we just ask that you let us know what you are doing to your property. The ACC Committee consists of Roger Boisvert of 705 Raven Drive, Thom Hanford of 660 Raven Drive and Robert Stickle of 644 SunEagle Drive.

New Business:

The Deeds and By-Laws Committee (consisting of members' Elaine Tillison, Gwen Moore, and Tracy Osborn) excused themselves at 10:30 a.m. to count the "Secret Ballot for the proposed Property Owners Amendment Procedures". None of the ballots have been opened. The committee was responsible for matching the returned ballots with the membership list. "The deed restrictions may be amended by the action of the

owners of the lots within the subdivision. Such action will require approval of more than two-thirds of the voting owners within the subdivision". The Committee returned at approximately 11:30 a.m. with the results of the vote. 212 Ballots were turned in. 155 yes votes and 54 no votes. 3 ballots were not opened as envelope "b" did not meet Texas Property Code rules. All this means is that we have given ourselves the right to vote on changing our deed restrictions. The Deeds and By-Laws Committee will go forward and reconvene and work on changing the current deed restrictions. If you would like to be a part of that committee, please tell Vickie Crews. We will welcome your input. We will ask the committee to let us vote on the proposed changes section by section, as well as taking some of the items out of the proposed deed restrictions and putting them in the by-laws. We are hoping to have the Deed Restrictions ballot out in time for our annual meeting in July.

Ken Terwort of 712 Raven Drive has been hired by the board as our new security/maintenance person. In addition to patrolling SEB, his responsibilities include mowing; weed eating, minor repairs such as plumbing, repairs to the fishing doc, and to keep all equipment up and running. Ken's contract is good thru the end of July. This way the next board can have the option to re-negotiate his contract should he and they choose to keep him on.

Questions and Comments from the floor:

Question about the gate, why is it open so much. People that do not have the gate code will push it open and cause it to break or someone knocks it down and won't fess up. Member Ed Cates of 682 Raven Drive does the repairs on the gate at a minimal charge on his own time. If he has to come from Dallas, he will have to charge a trip charge.

Numerous discussions were made concerning the pending sewer system. These were same questions and answers in previous monthly meetings.

Adjournment:

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

Sun Eagle Bay Owners Association Board Meeting

April 18, 2009

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

Board Members absent: Vickie Crews

Meeting was called to order at 10:07. a.m.

Secretary's Minutes: Minutes of the March 2009 meeting were read. There were no corrections or additions. Minutes were approved as read and filed for audit.

Treasurer's Report: Treasurer's Report was not read as the monthly report was not received due to extenuating circumstances via email and/or hand delivery. The report will be posted on our website, www.suneaglebay.com, and the board at the cabana and the office.

Committee Reports: None at this time

Old Business: The March response has been filed with TECQ, and is available for your review on our website. There is no additional information from any of the Engineers that are looking into the sewer system. We are still in the information gathering mode.

We filed lawsuits on 10 individuals owing past dues to SEB, and have had response from two that have sent in their past dues, totaling approximately \$1500, and another has signed over their property to SEB. We will contact our attorney and our accountant to find out what we can sell the property for, meaning can we sell it for only what dues are owed, or can we sell it and make a profit, and what kind of paperwork will be needed to do this. We will also talk to the engineers to see if this property might be of use in the future in the wastewater management process. All papers for that property have been legally signed over to us and will be filed with the county. The only thing we will have to pay on this property until we sell it will be the taxes. The taxes are current at this time.

Of the 10 people we filed on, the criteria was: 1. we have to be able to find them; 2. they didn't owe back taxes; and 3. they owed a reasonable amount to repay, less than \$1,000. We intend to file five to ten per month, and also we will proceed with the next steps for the other seven that haven't responded.

The cost to file the 10 lawsuits was \$400 and I believe we well recovered our money. Jewel thanked membership committee members Erin Hanford, Gwen Moore and Bobbie McCormick for the research in connection with the filing of these lawsuits.

There was no additional "old business".

New Business: Jewel announced that the Nominating Committee to replace the outgoing Board members would be headed up by Gwen Boisvert of 705 Raven Drive. She encouraged anyone interested in serving on the Board to contact Gwen, give her your name and information about yourself.

The SunEagle "B"s Gwen Boisvert reported on fundraising efforts and volunteer work that resulted in the cleaning and painting of the entry gate to SunEagle Bay. Volunteers

included Mary McConerly, Mark and Jewel, Witney and Pat, Thom and Erin Hanford, Roger and Gwen Boisvert, as well as Candy from Oklahoma. (Didn't know her last name!)

Our next fundraiser and community get together will be Memorial Day Weekend. Please see our flyer for more information

Questions and Comments from the floor:

Jewel opened the floor for anyone else to comment.

Jessie Wilson asked which lots were acquired, and was answered with lot #'s 333,334,335 and 336.

Adjournment:

No other questions or comments', meeting was adjourned at 10:27 a.m.

Sun Eagle Bay Owners Association Board Meeting

May 16, 2009

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

Board Members absent: None

Meeting was called to order at 10:05. a.m.

Secretary's Minutes: Minutes of the April 2009 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. The beginning balance on 3/31/09 was \$48,782.13, and ending balance was \$47,651.75. We had deposits of \$2,518.00 from delinquent accounts. There were no corrections or additions. Treasurer's Report was approved as read and filed for audit

Committee Reports: None at this time

Old Business: Jewel reminded the membership of the upcoming Memorial Day festivities at the park (located near the boat ramp). Ladder Golf and other games will be played. Ladder Golf requires an entry fee, and cash prizes will be awarded to the winners. Hot dogs and drinks will be served at a cost of \$1.00 each. The proceeds from the event will be used by the Sun Eagle "B"s for improvements to Sun Eagle Bay.

We are continuing to pursue the collection of delinquent dues. There are many steps in the process of trying to file a lien against the property, which is very time consuming, but we are determined to follow thru and achieve our goal of collecting these past dues, or to obtain title to the lots. We have consulted our attorney, Larry Wright as to how to properly sell this property.

Jewel also reported on the progress of the Sewer project. We have had two engineers that have submitted bids. One gave us a blanket bid to do the entire project. That bid is not even attainable. The other bid was reasonable, but we are pursuing additional bids in order to do a comparison. We are still in the fact finding phase of this project.

There are new signs at the dump stations advising you to clean and disinfect after you dump your waste.

The Deed Restrictions vote will probably be deferred to the September meeting. At this time, it is not feasible to present a completed ballot of the proposed deed restriction changes to the membership for their vote in time for the annual July meeting.

There was no additional "old business".

New Business: Jewel announced a cleanup day the first weekend in June. You can leave most any kind of metal, appliances, tires (on a rim only), golf cars, and batteries at the bull pen and the metal man will haul these away. Please do not leave plastics or other trash.

Questions and Comments from the floor:

A question was asked as to how many board positions will be voted on at the July meeting, and whose positions were to be voted on. The answer was board members Jewel Kelly, Thom Hanford, and Vickie Crews terms are up. Fred Howard's term is for one more year, however, he is resigning, leaving a total of four positions that will need to be filled. Anyone interested in running for the board is encouraged to contact Nominating Committee Member Gwen Boisvert of 705 Raven Dr.

Adjournment:

No other questions or comments', meeting was adjourned at 10:51 a.m.

Sun Eagle Bay Owners Association Board Meeting

June 20, 2009

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

Board Members absent: None

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

Secretary's Minutes: Minutes of the May 16, 2009 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. The beginning balance 5/01/09 was \$38,932.08, and ending balance was \$36,027.14. We collected \$2,093.67 in past dues, and we have a balance of \$628.33 in the Road Fund. The statements that have been mailed to the membership shows current member dues, current road fund dues, past member dues and past road fund dues, in order to correctly show where the monies are coming from. There were no corrections or additions. Treasurer's Report was approved as read and filed for audit

Committee Reports: None at this time

Old Business: We are continuing to move forward on our collection lawsuits. We have had eight of the fifteen lawsuits filed respond in one fashion or another. As we reported last month, we have had two people turn over their lots to us. We have had two judgments filed and we have filed liens against the properties. Our plan is to put this information about the lots on the website and up on the board, so you can contact the owners directly about making a deal with them if you want these lots. After ninety days of posting this information and no one is interested in or has been unsuccessful in negotiating a deal with the owners, along with the past dues owed, we will then file a Writ of Execution, and the Sheriff will put them up for sale for anyone to purchase. We have ten lots that have been given back to us. These lots will go up for bid, on a closed bid basis, and highest bidder will win the lots. The six lots on Mockingbird have approximately \$5,000 owed against them.

Both our attorney, and our bookkeeper, has said that we can make a profit on the sale of lots, and the reason we are able to do this is that we can offset the gain we incur against the loss of other properties, thus our net gain will never be realized. We will always have a net loss in the long run.

On some of the properties owing past due amounts, with large past due taxes owing as well, we will work with the Yantis School District, and let them file a lawsuit against these people for the property taxes. If they do that, we will lose the past dues that we might have collected, but it might behoove us to go this route on "some" of the properties, in order that we might go forward and get a new property owner that will pay their annual dues.

There was no additional "old business".

New Business: Invoices have been mailed to the membership. In the case of members owing past due amounts, statements have been mailed recapping the past due and current amounts due. Unfortunately we have had some duplicate invoices sent out. If you are the recipient of a duplicate invoice with the same invoice number, please destroy one of them. If you

receive duplicate invoices, with different invoice numbers, please call us and we will tell you which is the correct one to pay.

If you are paying a past due amount and the current amount, please note this on your check so the accountant can correctly post these figures. If you want your stickers mailed to you, please include a stamped self addressed envelope with your payment.

The swimming pool will be closed every Wednesday. We are attempting to “baby along” the pump. We do not know exactly what is wrong with it. It sometimes sucks air and loses its prime. The pool man looked at it and he thinks we have another leak underneath the ground. Last time a leak was repaired, the cost was \$3,000.00. We are trying to get through the 4th of July weekend, and even through the summer before we have to shut the pool down for repairs.

The gate and gate system was replaced at a total cost of \$8,430.00. The gate was hit (again) and deemed unreparable. The old gate system was not covered by our insurance, but the new gate and system will be.

Jewel thanked Gwen Boisvert for heading up the nominating committee. She then introduced the board nominees, starting with:

Jessie Wilmoth, of 943 Sun Eagle Drive, is an owner/member since 1987. Jessie has 20 years of accounting experience. She lives at Sun Eagle Bay, and can be available to work in the office, answering the phone, and to work wherever she may be needed.

Ardella Norwood is Lucky and Esther Norwood’s youngest daughter. Her weekend getaway is 567 Hummingbird Drive. She is Controller for Massoud Furniture, Dallas Texas. She offers much computer knowledge; she knows the Quickbooks system which is used by Sun Eagle Bay. She manages the suneaglebay.com website.

Thom Hanford, of 660 Raven Drive, has served on the board for three years, looking after the maintenance and security. Thom has provided much of the physical labor to help maintain various aspects around Sun Eagle Bay.

Vickie Crews, of 262 Whooping Crane Drive, also has served on the board for the past three years. One of her goals has been to identify each lot and owner, and to continue to the collections effort and to also work on where we need to be in the future.

Jewel Kelly, of 129 Sun Eagle Drive has both the time and desire to continue in the collection of past due accounts here at Sun Eagle Bay. She has learned more that she ever wanted to know about basic wastewater management, even so far as to take classes to become as informed as she possibly can.

The SunEagle “B”’s announced a July 4th weekend fundraiser. They will drive around Sun Eagle Bay and offer Blue Bell Ice Cream Treats for sale.

Questions and Comments from the floor:

Jessie Wilson asked about the progress of the pending felony criminal charges against Mark Young, the contractor that was paid to repave the roads, but did not complete the work. The estimated amount we are trying to recover is \$67,000, to cover the cost of the money he took, plus the replacement cost to complete the work. The actual amount lost was \$20,000. He keeps getting passes from the judge.

Adjournment:

No other questions or comments’, meeting was adjourned at 11:00 a.m.

Sun Eagle Bay Owners Association Board Meeting

Annual Meeting, July 18, 2009

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

Board Members absent: None

Meeting was called to order at 10:00. A.M

Secretary's Minutes: Minutes of the June 20, 2009 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 Vicky Crews. Normally this month's report for the annual meeting would be read by Barry Carlson, our CPA, but he is away with family awaiting the birth of a grandchild. Beginning balance 6/01/09 was \$19,724.70. Expenses for the month were \$13,265.98, which included the new gate expense of \$8,766.60. Fiscal year figures are as follows: \$86,373.15 in deposits, (\$73,726.56 in dues, \$9,404.31 prior year's dues, and \$2,791.28 prior year's road fund assessments and extended camping fees). Balance as of 7/18/2009 is \$104,000.00. There were no corrections or additions. Treasurer's Report was approved as read and filed for audit.

Committee Reports: None at this time, however, Jewel Kelly announced that Kent Reeder of 27 Sun Eagle Drive, Section II, will join Mac McCormick on being on the Road Committee. More volunteers are needed, if anyone is interested, please contact a board member.

Old Business: Regarding collections: Twenty lawsuits have been filed, three owners have signed over their land, (11 lots total). Four owners paid their full amounts past due, approx \$5,500.00. We have been awarded seven judgments, of which two properties we have filed liens on. As of this week, we still have \$89,000 in outstanding debt.

Regarding criminal charges against Mark Young, the road contractor who took our money and didn't complete the work he was hired for: Jewel again spoke to the District Attorney, Jim Wheeler, and asked him if he could expedite the case, and his answer was he would try.

(The counting committee collected the last of the ballots and left for the office at 10:30 A.M. to count the ballots.)

There was no additional "old business".

New Business: Thank you awards were given to Esther and Lucky Norwood of 904 Blue Jay Drive and to Elaine and Bill Tillison of 875 Robin Road for their many years of volunteering to Sun Eagle Bay.

A PowerPoint presentation was made to introduce Sun Eagle Bay's new water company, TALON Sewer Service and Water Supply Corporation. As directed by TECQ in January, 2009, this new entity was formed on June 24, 2009 under Chapter 67 of the Texas Water Code. Please refer to the website, www.suneaglebay.com, for the complete power point presentation.

Questions and Comments from the floor:

Numerous members commented on whether those that chose to “live” at SEB might be costing those that do not “live” at SEB more in the daily expenses. The \$25 Extended Camping Pass fee was designed to help offset these perceived additional expenses, mainly the additional sewer disposal fees.

Questions were also asked again about the pending sewer system for SEB, and the cost for an engineering study, and how this cost might be funded. An application for a \$10,000.00 grant will be applied for thru the Sabine River Authority. This grant will help up pay for the engineering study.

Results of the voting by the membership at the 2009 annual meeting were given by counting committee chairman, Tom Whitehead of 887 Blue Jay Drive (note, the paper ballots were mailed to the membership and only those members whose dues are current were counted).

Vicky Crews 89 votes

Thom Hanford 88 votes

Jewel Kelly 86 votes

Jessie Wilmoth 60 votes

Ardella Norwood 76 votes

Jessie Wilson write in vote

two votes were invalid, they voted for everybody.

Road Fund: 93 for and 39 against....Road fund passed by 2/3 vote.

Jewel Kelly announced the official members voted to the board are:

Jewel Kelly, Thom Hanford, Vicky Crews and Ardella Norwood, with Bobbie McCormick remaining on the board, and the road assessment passed with the required 2/3rds vote.

Adjournment:

No other questions or comments’, meeting was adjourned at 12:00 p.m.

SunEagle Bay Owners Association

Minutes of September 19, 2009 Meeting

The meeting was called to order by President, Jewel Kelly at 10:10 am. At that time she introduced two new board members: Paula Crowley, who has been an auditor with Texas Department of Corrections (TDC) and G. W. Loughmiller, retired Frito Lay truck driver. Both Mrs. Crowley and Mr. Loughmiller have over 15 years of service with their respective companies.

Secretary, Paula Crowley read the minutes of the July 2009 meeting since there was no meeting in August. A discussion related to the appointment of the two new board members and the reading the July minutes took place.

Jewel made the statement that the 2 new members will remain on the board since the 2 members who resigned prior to the last meeting did not ask to be reinstated until after the two new members were appointed. The 3rd member, who offered to resign by the end of the day, if requested, did not resign since no request to resign was made. A request for him to remain on the board was voiced by several members after the discussion period closed.

The reading of the minutes of the July meeting is appropriate and can be verified by the rules. There were no additions or corrections. The minutes were approved as read and filed for audit.

Vickie Crews gave the Treasures Report. Vickie read the expenses for the month to the audience. This month's beginning balance was \$108,755.80 and this month's ending balance is \$109,156.21. Since there were no additions or corrections of the treasurer's report, it was approved and filed for audit.

A report giving the status of our efforts to collect back debt was given by Jewel Kelly. We have filed on 36 members owning 64 pieces of property. This represents \$57,865 in dues and assessments or 63% of the debt owned by members whose accounts are more than 365 days past due. Since the program began in April 2009, we have collected over \$7,500 in back dues and over half of it came from members who were served by the court. The stats are as follows: 4 paid in full, 4 gave SEB the property in lieu of paying the debt, 9 liens have been filed and 2 additional judgments have been awarded to SEB. There are 15 cases pending in various stages.

Jewel also addressed a rumor regarding the road fee. The rumor that “the judge said SunEagle Bay’s road fund was”illegal” is false. After explaining the circumstances surrounding the rumor, the following legal opinion was read: “The Justice Court is not a Curt of Record and the Judge’s rulings have no control over any other issues.”

It was announced that there were no bids on the 6 lots that were for sale on the Internet. They are now up for sale at the minimum bid price of \$4,185 on a first come first serve basis. We will be looking ways to recover the money on some of the lots now having liens against them. These lots would be sold by the Constable rather than by SunEagle Bay. SunEagle Bay has the option of bidding on the land. If the land does not sell, SunEagle will have a 10 year lien on the property. Each individual case is reviewed in order to determine the appropriate action based on legal documents obtained from the court and attorney. The process and fees are set by the court.

There were no bids on the 6 lots advertised for the closed bid auction. At this time, the board has agreed to sell first come first served basis for no less than \$4,185. We hope to have others lots available for sell in the future.

A certified letter from TCEQ was read to the members of the audience. The letter acknowledges the receipt of compliance documentation that shows SunEagle Bay is working toward a resolution to the alleged violations stated in the letter dated January 2009. The letter goes on to say that the Legislature has granted TCEQ enforcement powers which may be exercised to ensure compliance with environmental regulatory requirements. A copy of this letter and other correspondence related to this subject will be placed on www.suneaglebay.com. Members were encouraged to visit the website and review the documentation.

Kent Reeder gave a report on the road bids for ½ mile of road at \$74,021. This is the only bid we have received at this time. Kent explained the process that he and contractor discussed and said he would get other bids. He will also discuss alternative asphalt related processes with contractors as he gets bids.

There were no other items on the agenda and the regular meeting was adjourned. The question and answer session was opened up to the floor.

Tom Whitehead asked for a recap of what TALON relationship means to SunEagle Bay. Jewel explained the new entity was formed under Texas Water Code Chapter 67.

SunEagle Bay does not have a permitted wastewater collection system and the state will not renew the license on our current system. TALON was formed because SunEagle Bay can not legally be a sewer corporation and an owners association. The rules for formation of a sewer corporation are different from those of an owners association.

Helen Scott asked who the officers of TALON were and they are as follows: Jewel Kelly, President, Tom Hanford, Vice-President, Darrell Crews, Secretary/Treasurer, Jackie Steward, Director and Tom Beasley, Director. These 5 people will serve as the board until the membership elects the officers at a later date as directed under the Texas Water Board. A membership fee and signing of certain documents will be required in order to be a voting member of TALON. The fees and dates related to this issue had not yet been determined by the board of directors.

TALON will maintain its books separately from SunEagle Bay and monies are not transferable between entities. The laws governing a sewer service and water supply corporation are very strict and include signing a conflict of interest statement by each officer. Cost of the project has not yet been determined. TALON has applied for its first grant with Sabine River Authority. The grant money will be used to pay for a Preliminary Engineering Review. This must be done before TALON can apply for additional grants.

There was some discussion related to the fact that SunEagle Bay does not have a license for its existing pump and haul system. There was some discussion regarding the fact that we were not aware that the license had expired. We also discussed that the fact that TCEQ had been approached about getting a temporary license for our existing system and it was refused,

Ron asked how many people voted in the last election. Since the information could not be furnished by looking at the recorded number of votes recorded in the minutes, we agreed to make the information available at a later date. It was estimated that 25% of the members are making the decisions for the community although all members are mailed a ballot and given the opportunity to vote.

A question as to where TALON's office would be located was asked and the answer was "we don't know". A trailer was donated by a member and it is being remodeled. It was made clear that any expenses incurred by TALON for this project are not being paid for by SunEagle Bay.

The discussion session ended on a positive note when Jean Bridges and others expressed their appreciation for the work being done by the current board.

Signature _____ Title _____ Date _____

Signature _____ Title _____ Date _____

SunEagle Bay Owners Association

Minutes of October 17, 2009 Meeting

The meeting was called to order by President, Jewel Kelly at 10:10 a.m. Paula Crowley, Secretary, read the minutes of the September 19, 2009 meeting. The minutes of the September meeting were approved as read and filed for audit. All members of the Board were present.

Vickie Crews gave the Treasures Report. To date \$65,614.00 in member dues have been collected. Delinquent dues in the amount of \$5,206.00 were collected this past month. A discussion was held regarding the collections, liens filed and property deeded to SEB in payment of delinquencies. The account balances and expenses were read to the attending members. There were no corrections or additions to the report.

Jewel Kelly introduced T. J. Henshaw, the Fire Chief of LandsEnd Volunteer Fire Department. He discussed the 911 issues as it relates to SEB's street signs and finding someone in case of an emergency. He suggested the current street signs in SEB be changed to private road numbers. Each trailer/owner would then have a valid 911 address. This change would enable emergency responders to find the correct address faster during an emergency.

The local Council of Governments has reserved a block of numbers starting with #5800. The street signs would cost between \$1200 to \$2,000 depending on the feasibility of using existing posts and signs. The SEB's fun raising group suggested using \$1,100 currently in the account to help pay for the signs. Additional donations would be needed to cover all the cost. If enough donations are received, the money for the signs would have to not come out of the SEB Association's budget. However, if all the needed funds are not raised, the board approved paying the remainder out of the association funds and the members agreed with a majority vote of members present.

T.J. also announced a new fire truck will be delivered Monday. The Fire Department is in need of volunteers and asked for those members who live in SEB to please volunteer their time.

Jewel Kelly addressed the costs of roads and problems getting them surfaced over the past few years. The price of oil has gone up considerably which makes the price of asphalt rise as well. With that in mind, Kent Reeder, head of the road committee, announced to the audience the 4 bids he received for ½ mile of pavement. The prices ranged from \$55,000 to patch the roads, up to \$109,000 for paving ½ mile of road.

The road dues collected at this time come to approximately \$36,000.00. This is not enough money to fix or pave 1/2 mile of road with asphalt. It was suggested that Larry Roach patch the roads with white rock and fix the culvert on corner of Quail Rd. as an alternative until more monies are raised. Mr. Roach estimate for this service is \$1200.00. The members were asked for a vote. The majority voted the repairs be made by Mr. Roach.

A member asked about having members clean the culverts as they many are great need of cleaning. Mr. Reeder was asked to get an estimate from Larry Roach regarding cleaning and repairing the culverts in SEB. The majority of the members also voted to have this done in order to save the exiting roads from additional damage. Other repairs will probably have to wait until net year.

The issue of vandalism in SEB was addressed. A member's boat was vandalized at the boat ramp and another member's boat had the fish finder taken. This theft happened on the member's lot and nothing else was taken. In addition, signs reminding people to keep the dump stations clean were stolen. It will cost SEB money to replace the signs. The sheriff's department will be notified of the theft if it happens again and a report filed.

A member asked about getting in touch with security in case of a problem. Jewel suggested a prepaid cell phone be purchased for the security person and emergency calls. This will be researched.

Jewel passed out a letter from TECQ with collections information on the back for member review. A discussion was held regarding bad debt. It takes several trips to Quitman to get the paperwork done when filing suits and liens and a 'thanks' was given to Tom and G.W. for helping with this task.

A discussion was held regarding TECQ and the issue of compliance. A newsletter was handed out along with attachments related to our expired dump station holding tank license. Jewel explained additional violations might be cited if we do not continue to make progress on the 7 year plan. The holding tanks could be shut down, fines could be placed on the association and/or individual property owners. Running grey water in the ditches is a violation. If you get caught running grey water on your own property, it is between you and TCEQ; however, TECQ has stated that it is also a violation because we do not qualify under 30 TAC Chapter **285 - On-Site Wastewater Treatment**.

Jewel introduced Kathy Rokusek to the audience. She is a SEB member and researched the TECQ letter for herself and had spoken with Doug Belzer. She told the members that everything Jewel had told the members is true. She stated that SEB is in violation of the Health and Safety code. Kathy is an experienced grant writer and has assisted other non profit organizations with similar projects. She will head up the grant committee and help find grants for the sewer project. Vickie Cruz will also be on

that committee.

A member of the audience asked ‘how did we become acquainted with TALON?’ Jewel discussed the beginning of TALON and why it was established. It was legally formed under Chapter 67 of the Texas Water Code. This is the law under which Lake Fork Water Company was formed. The subject of Lake Fork Water Company doing TALON’s billing was discussed briefly. Jewel discussed the progress of TALON and the role it will play in obtaining grants for a sewer system at SunEagle Bay.

A question was asked about using Yantis’s sewer system. Jewel had talked with the Mayor of Yantis earlier in the year. It was his opinion that it probably not happen. The Yantis sewer plant is 5 miles away and SEB would have to pay for the pipe from SEB to the Yantis plant. The Yantis plant would probably have to be enlarged according the Mayor and would be subject to TCEQ approval.

A discussion regarding the newsletter sent out about updating the deed restrictions took place. Members can vote for all or part of the restrictions. If an article is not passed by majority, it will revert to the old deed restrictions for that article. Members with liens on their property are the only members who do not have the right to vote on deed restrictions. Ballots are to be mailed back to SEB in the envelope provided by November 21, 2009.

SEB does not have a maintenance person at this time. Volunteers are needed to help maintain SEB. A new lawn mower is needed. At present, Jewel is utilizing her own mower for SEB upkeep. Budget funds will be allocated so a new mower can be purchased before the heavy mowing season. I

The floor was opened for discussion and there were none. The meeting was adjourned at 11:45 a.m.

Signature_____Title_____Date_____

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A special meeting was called to order by Jesse Wilson, a member of Sun Eagle Bay, representing 116 plus members of Sun Eagle Bay by proxy, for the purpose of terminating the existing board and electing a new board to Sun Eagle Bay. The authority for holding this meeting is Texas Business Organization Code, Title II Corporation Chapter 22.

The meeting was called to order on October ^{29th Nov} 21, 2009 at around 10:00 AM. Deputy Sheriff of Wood County was present. A list was signed of those members present. One vote is allowed for each dues-paid membership. Sign-up sheet and proxy list are attached. A check of show of hands against the sign-up sheet for duplicity will be done. The meeting was conducted by Jesse Wilson according to the Texas Business Organization Code Title II Corporation Chapter 22, Non-profit corporation, Section 22.211, Removal of Directors.

Jesse Wilson told those present the purpose of the meeting was to terminate/remove the existing board and elect a new board and that a letter had been sent by Mr. Norwood to the known current membership to ask for a signed proxy to terminate the existing board. Notice was also sent to the existing board.

In accordance with the guidelines for board termination/removal, the current board officer, Jewell Kelley was allowed to speak. She asked why she and board were being terminated and she felt that this was an illegal meeting. Peggy Tracy, SEB member stated that the reasons for her proxy vote to remove the board was lack of faith or support of the board regarding 1. There was no discussion about any other alternatives than a community sewer system which we cannot afford to build and we cannot afford to operate—in response to the violation letter from TCEQ. 2. Any Engineering study should consider other alternatives and not only a community wide sewer system. 3. The changes in proposed deed restrictions gave the board more control than necessary on every proposed change. 4. The board is NOT acting on behalf of the membership, as shown by 116 proxy votes returned by the membership to terminate/remove the current board.

Jesse Wilson began the termination/removal of the current SEB board, Jewell Kelley, Vickie Crews, Tom Hanford, GW Loughmiller, and Paula Crowley. In accordance with the next step of removal and at request from the attendees, each board member was removed individually. Peggy Tracy and Ron Wilmoth, proposed and seconded that each board member be removed with the support of 116 plus proxies. Jesse then opened the floor to nominations for board of directors. Jewell Kelley, Vickie Crews, Tom Hanford, GW Loughmiller, Paula Crowley, Roberta Norwood, Ardella Norwood, Jesse Wilson, Jessie Wilmoth and Tom Whitehead were nominated. There were 19 votes from the audience which need to be verified from the sign-up sheet for duplicity, i.e., husband and wife, and Jewell said she had a few signed proxies which total about 30 votes, to retain the board of directors just removed. Peggy Tracy stated that using the authority of the 116 plus signed proxies to vote/elect a new board for SEB, Jesse Wilson, Jessie Wilmoth, Tom Whitehead, Ardella and Roberta Norwood. With the majority of votes, the new board were elected. Jesse Wilson then adjourned the meeting. Following the meeting, the new board will meet and appoint officers and change locks on the office and notify officials.

Minutes were taken by Jessie Wilmoth at the request of Jesse Wilson.

SunEagle Bay Owners Association

Minutes of November 21, 2009 Meeting

The meeting was called to order by President, Jewel Kelly at 10:04 a.m. Paula Crowley, Secretary, read the minutes of the October 17, 2009 meeting. The minutes of the October meeting were approved as read and filed for audit. All members of the Board were present.

There was no Treasurer's report since the accountant had not yet received the bank statement for reconciliation. Bank statements will be forwarded and current information will be posted at SunEagle Bay.

It was announced that the ballots needed to be turned in by 10:30. A question as to how many ballots had been received was asked and the exact number could not be given since no count had been made. At a member's request, the unopened ballots were counted by Tracy Osborne in the presence of the attending members. The number announced was approximately 151. The word approximate was stipulated as they were only counted once.

Lucky Norwood requested that someone other than the counting committee be present when the ballots were being counted. The request was denied by the President since the legal requirements governing the counting of deed restriction ballots and the establishment of a proper Counting and Canvassing Committee were met. The audience was advised that any member could request a recount after the results were announced. Peggy Tracy requested that the counting of the votes be postponed until after it was determined "who" was in charge at SunEagle Bay. It was announced to the membership that the Temporary Restraining Order signed by the Judge put the board elected July 2009 in charge of this meeting and the request was denied

The question as to where the ballots were to be counted was raised. It was agreed the ballots would be counted in the office. The key to the office was given to Tracy Osborne. It was stipulated that no one was to enter the office during this time and that Lt. John Farmer of the Quitman Sherriff's office would remain on security duty until the ballots were counted and the results was announced by the committee. The committee retired to the office at 10:30 to count

the ballots.

There was a discussion regarding the input given by engineers who had visited SunEagle Bay in the Spring of 2009. The fact that several engineers have visited SunEagle Bay to determine if they wished to participate in providing a bid for a Preliminary Engineering Review (PER) has been discussed at several previous meetings. This is the first step in determining what type of sewer system might be best for SunEagle Bay. It is also a requirement for applying for most loans or grants. Each firm was asked to submit the cost of a PER. Only 1 submitted a bid as requested. All other variations did not meet current requirements. During this period of time, an independent engineer also came out and visited with various members regarding holding tanks and drip aerobic systems. The engineer took what he considered a “best case” scenario to TCEQ and his request was denied.

The discussion ended. The members present agreed to reconvene at 2:00 PM the same afternoon to hear the committee’s report.

At 2:00 PM the meeting reconvened to receive the Counting and Canvassing committee’s report. 150 ballots were deemed valid and were counted. Tracy read the results item by item and announced that nothing passed. The results will be filed with the county. New deed restrictions may be voted on again after November 21, 2010.

It was announced that a deed restriction committee would be reconvened sometime in 2010 to look at the deed restrictions again. Many of the deed restrictions are outdated and need to be restructured based on current needs. New members of the committee will be welcomed and everyone was encouraged to considered participating in revamping the deed restrictions.

The question of an engineering study was brought up again by Peggy Tracy. After the discussion, most of which had been covered in the morning session, it was suggested that Peggy investigate the cost of a civil engineer or a certified sanitarian doing a study at SEB and report the cost, the scope of the project and the names of the firms interested in participating in the project. This information would need to be presented to the members at the January 2010 meeting. It was made clear that SunEagle Bay would be responsible for paying for any such study.

It was announced that there would be no meeting in December. The next meeting will be the 3rd weekend in January. There was a majority agreement among the attending members that the meeting be adjourned.

Signature _____ Title _____ Date _____

Signature _____ Title _____ Date _____