

SunEagle Bay Owners Association

Minutes of January 16, 2010 Meeting

The meeting was called to order by President, Jewel Kelly at 10:05 a.m. Paula Crowley, Secretary, read the minutes of the November 21, 2009 meeting. The minutes of the November meeting were approved as read and filed for audit. All members of the Board were present.

The December Treasurer's report was given by Vickie Crews. Ms. Crews recapped the expenses for the month. The ending balance of all SEB accounts was \$107,189 which includes all monies collected for the road account. We were unable to download the reports sent via email due to Internet problems; however, the reports for October, November and December will be printed and filed for audit.

Since there was no other reports the members present agreed to adjourn the meeting. A brief discussion session followed.

Discussion

Tracy Osborne asked about the court date. The audience was advised that a court date of February 11, 2010 had been set. They were also advised that the lawyer for the Concerned People has indicated he will for a continuance due to a personal schedule conflict.

Darrell Crews asked Peggy Tracy if she had anything to report regarding alternative solutions to the sewer system under consideration due to TCEQ; s January 2009 letter. She did not have anything to report at this time but agreed to take on that responsibility. She will endeavor to have something ready by the February meeting. The issue of who was to pay for such a study was also reviewed and it was clarified that SEB would be responsible for paying for the study, if approved. A minimum of 3 bids were requested. The anticipated report should include the names of those making bids, the cost of the project and the scope of the project. There was no additional input so the discussion session ended.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

## SunEagle Bay Owners Association

### Minutes of February 20, 2010 Meeting

The meeting was called to order by President, Jewel Kelly. Jewel Kelly read the minutes of the January 16, 2010 meeting in Paula Crowley's absence. The minutes of the January meeting were approved as read and filed for audit.

Jewel announced that Paula Crowley was on vacation and Vickie Crews was out of town on business. Ms. Crowley and Ms. Crews notified the board of their intended absence in advance of the meeting. All other members of the Board were present.

The December Treasurer's report was given by Jewel Kelly. Jewel recapped of the cumulative totals through the end of January for all expense categories. The year to date total income is \$122,484.39 and total expense year to date \$ 34,049.62 + \$2,000 in road work.

Since there were no additions, deletions or corrections to the report it was approved as read and filed for audit. It was announced that monthly reports for October, November, December and January were available upon request after the meeting. These reports will be filed for audit.

Peggy asked why we have not had an audit of SunEagle Bay. Jewel said that to her knowledge, a true audit of SunEagle Bay's books had never been done. In 2006, when the board came in to office, BTP (Barry) was asked to review the books so we would sure where we stood. Money was probably the reason prior boards had not paid for an audit. The cost can be from \$1,500 to \$5,000. Jewel stated that she was already in the process of looking for an auditor. Peggy made a motion that we get three bids on having an audit done. Terry Reeder seconded the motion. The motion carried by the majority members. Jewel agreed to get three bids and report her findings.

Jewel reported that we have collected in past due dues and road assessments of \$12,812. Jewel explained that SEB will begin to file a "writ of execution" on some of the properties. The property will go up for sell at the court house and SunEagle Bay can bid the amount owed in the judgment and if they win the bid, it will not cost SEB any additional money (except filing fees) and they will be given ownership of the property unless someone out bids them.

SEB would have to pay back taxes. If we choose not to bid on the property and no one else bids on the property, the "write of execution" puts a 10 year lien on the property. Should someone else buy the property, the lien would have to be satisfied before a clear title could be received.

Peggy Tracy was asked for a report on getting bids for an alternative to the sewer system study. She was not able to find anyone who was willing to give us a bid. She stated the reason as to "the vendor's not knowing who was in charge" of SunEagle Bay. Ms. Tracy was thanked for her report.

Jewel Kelly reported that TCEQ had agreed to have a meeting with the members of SunEagle Bay regarding the alleged violations. A mail out will be done as soon as we confirm the date and time. The proposed date is Friday March 5, 2010 at LandsEnd Fire Station sometime between 10 AM and 2 PM. A request to video tape the meeting was made by a member of the audience. Jewel said she would make an effort to do so as well as audio tape the meeting if TCEQ had no objections.

Jewel reported that the new street signs cost \$500 and were paid for by the "SEB" , a fund raising group. They have about \$600 to assist the fire department with the signs that mark individual addresses. If the \$600 does not cover the cost, the rest will be paid for out of the general fund. The old street signs are at Jerry Holland's. See him if you are interested in having one for your yard or trailer. A donation to the fire department will be accepted if you wish to make one when getting the sign from Jerry. The maps in the cabana and the office have been updated. We will get one updated for the Internet.

Jewel also announced that Talon Sewer Service had been approved by CRG for a loan of \$30K to be used for the PER, ER and legal fees. This unsecured loan to TALON is being underwritten by USDA. Explained CRG relationship Peggy Tracy acknowledged that these types of studies are required when dealing with sewer systems issues and the request for such a study is not unique to SEB.

There was some discussion about the words ‘water supply corporation’ being part of Talon Sewer Service and Water Supply Corporation’s name. Jewel stated that the law specifically required the term be included in the when incorporation under Chapter 67 of Texas Water Code. Gary Stapleton said he felt the naming convention could be attributed to the fact that on the input side you are receiving sewer and on the output side you are charged with putting out clean potable water.

Membership into Talon was discussed. An example was given as to how membership would work. Gary Stapleton mentioned that Lake Fork had set up the same ways the same. The fee for joining was very low. It was mentioned that now it cost much more to get water connected. The question as to whether the officers of TALON would make a profit off of the company was asked. The answer was no.

The question as to what was going on with the law suit was asked. Jewel said a negotiation session had been held on February 11, 2010 in an effort to reconcile but no reconciliation was reached. The Concerned People’s attorney had a personal business conflict with the last scheduled court date and new court date of May 11, 2010 was agreed upon by both attorneys and the court.

Since there were no other items of discussion the meeting was adjourned.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

SunEagle Bay Owners Association

Minutes of March 20, 2010 Meeting

The meeting was called to order by President, Jewel Kelly. All members of the Board were present. Secretary, Paula Crowley read the minutes of the February 2010 meeting. Peggy Tracy asked that the minutes be corrected to include a statement that no engineer would come out to do an alternative study due on going litigation at SEB. The minutes of the February meeting were approved after the correction and filed for audit.

The February treasure's report was given by Vickie Crews. The beginning balance for February was \$104,087.32. The ending balance for February is \$97,290.15. Vickie recapped the expenses for the month of February in the amount of \$7,146.12.

Jessie Wilmot asked about the expenses for contract labor. She said it seemed to her that it had gone up. Jewel stated the persons who took over security and the cleaning bathrooms were currently being paid at the same rate as their predecessors. Another individual questioned the use of the word automobile repair and it was agreed it should be changed to reflect "gasoline expenses". Vicky will take care of this issue. The treasurer's report was approved as read and filed for audit.

Road Work – The extreme winter weather and length of time the asphalt has been down is the reason we are having bad spots show up in the road. Kent will be contacting Larry Roach to see what it will cost to repair the roads. At this time, no other road work is planned.

Audit Report – Audit estimates were received from 3 area CPA's, none of which have ever done work for SunEagle Bay. The two types of audits discussed were a general audit from about 2 K to 6 K and a forensic audit running from 5K to 10K and up depending on the number of years audited. Nothing can be done until after April 15<sup>th</sup> and each CPA wants to visit with the SEB board more before committing to do an audit of any kind. In addition, the subject of letting someone who was not a CPA do an audit for SunEagle Bay was discussed with each CPA. In all cases, the opinion was that such a move was not appropriate if the person performing the audit was not a CPA. None felt letting a member do an audit was appropriate regardless of their credentials. It was the opinion of the CPA's interviewed that SEB should vote in doing a basic audit every three years as part of our rules. The

question was asked “would the membership be able to vote if we wanted an audit done as a matter of procedures”. The answer was yes. This would need to become part of the bylaws. A copy the CPA’s estimates were submitted to SEB’s lawyer for review.

Collections - It was reported that an additional \$1068 had been collected. Two more lots have been taken over by the Yantis School District and the loss of revenue for the unpaid dues will have to be written off. We will continue to be aggressive in our collection efforts. We will try to send out invoices to those people owning 1 year or less in an effort to collect the past due amount before regular invoicing. This includes any balances due to partial payments. Regular invoices will be sent out in May.

Jewel stated she felt the TCEQ meeting on March 5, 2010 went well. About 100 people attended the meeting. Although we do not know the exact direction the engineering study will take us, people seem to understand that doing nothing is not an option.

This week Jewel received a copy of a memo from Mr. Biggers clarifying TCEQ’s position at SEB. According to Mr. Biggers, “someone” has been calling his boss and giving their interpretation of what was said at the meeting. Consequently, Mr. Biggers felt it was necessary to send out the memo. A copy was handed out to all members present. It will be posted on the website and on the SEB premises for review.

Jewel said the suggestion related to the present holding tanks made by Mr. Morgan at the meeting was the first she had heard of it. It would be researched and reported on in the future.

Esther Norwood brought up the issue of Bobby Sartin’s place being a mess. Jewel stated it was that way when she came to SEB in 1998. Esther also objected to Bobby’s building as did Jesse Wilmoth. Jewel pointed out that many of exceptions to the rule have been here for more than 14 years, others have been granted exceptions more recently. The records show that some of the people who were objecting to this issue have been given exceptions to the ACC rules over the years. Others members have been denied exceptions and have gone ahead and done what they wanted anyway. These instances are documented. Jewel reminded people that any trailer, park model or RV that can not be pulled out without moving under penning or a structure of any kind is considered a permanent residence according to SRA

Darrell Crews asked about the road contractor. The next court date is set for April. Jim

Wheeler, the Wood Count District Attorney said it is the Judge's call as to when the date is set and criminal cases such as this one takes lower priority than drug and murder cases. Jim, as DA can not really do anything to expedite a case.

Peggy Tracy asked about the "protocol" for calling security. It was made clear that it is not security's job to enter into personal conflicts between members and this has always been the protocol. Security is supposed to notify the person there has been a complaint and ask them to desist in the reported action. SEB officers and staff are not responsible for resolving personal conflict between members especially when it an on going "feuds". The Wood County Sherriff can be called at any time by any member. Jewel agreed to have security a phone within the next 30 days. The service will probably be People's telephone

A member also reported that a close neighbor is letting his grandson shoot a 22 on his property. The child appears to be unsupervised. Jewel agreed to try and contact the member and discuss the issue.

Jewel also said that the TCEQ meeting was taped and was available for review. It would take about 1 ½ hours to hear it all.

Since there were no other items of discussion the meeting was adjourned.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

SunEagle Bay Owners Association

Minutes of April 17, 2010 Meeting

The meeting was called to order by President, Jewel Kelly. All members of the Board were present. Secretary, Paula Crowley read the minutes of the March 2010 meeting. The minutes of the March meeting were approved as read and filed for audit.

The March treasurer's report was given by Vickie Crews. The beginning balance for March was \$97,290.15. The ending balance for March was \$86,155.71. Vickie recapped the expenses including capital expenditures for the month of March.

Tractor—A discussion regarding use of the tractor/mower took place. Jewel stated that the blue tractor and the push mower have been loaned out to SunEagle Bay members over the years. The new mower would not be loaned out for personal use. It was purchased to mow the large areas SunEagle Bay has to maintain. The mower was budgeted for and approved by the board. The required 3 bids were received, reviewed by the board members and a maximum amount to be spent agreed upon. In addition, the bids information was submitted to SEB's lawyer for review.

After the "tractor/mower" discussion, the treasurer's report was approved as read and filed for audit.

Volunteer Work—Jewel handed out a notebook with a list of projects for which SEB needs volunteers. They are as follows: cleaning flower beds, painting play ground equipment, assisting Mrs. Rylee in repairing and painting the "Catch of the Day" sign, adopt-a-street, assist in cleaning lots returned to SEB for debt so they can be sold and donating empty ink cartridges to SunEagle Bay. The cartridges can be turned into Staples for a \$3 credit (any brand of printer). The reward money coupon can be used for almost anything purchased at Staples. If you want to know more about any of these projects, see Jewel Kelly for the details.

Road Work—Kent Reeder announced he has not gotten any bids for patching the roads. Kent asked if anyone wanted to volunteer to patch roads or did they want him to get a price to have someone else do it? There were no volunteers to help patch roads. It was agreed Kent should get a price for asphalt and gravel patching and give a report at the next meeting.



New Employee–It was announced that J.C. Conyers would be doing the maintenance work at SunEagle Bay. J.C. will be doing most of the mowing and other maintenance required to keep SunEagle Bay looking neat and clean.

Invoicing–Invoices with balances less 365 days old will not be sent out as planned due to time constraints. The 2010-2011 invoices will be mailed out in May.

Nominations - Diana Drough is head of the Nominating Committee. She is a new member at SunEagle Bay. Nominations will close on June 5, 2010. This is necessary in order to get the ballots ready and in the mail 30 days prior to the July meeting. If you want to help Diana, let Jewel know and she will give Diana your number. We will post Diana's choice of contact numbers on the website and at SunEagle Bay. Nominations can be placed in the drop box at the office. Remember nominations must be accepted by the nominee before their name is placed on the ballot. There will be 2 positions open.

Pool–The State is going to allow SunEagle Bay to use the ropes this year in lieu of draining the pool to put lines on the bottom. The drain covers will have to be replaced. Stan will purchase the covers and enlist the help of a member to replace them. Not draining the pool will save SEB a considerable amount of money. In addition, Stan was able to fix the problem with the pump saving us large anticipated expense.

Telephone–Security now has a phone. The number is 903-850-7901. The number is posted on the website and at various locations on the SEB premises.

TCEQ–Jewel said that she had been in touch with Ross Morgan of TCEQ recently. At the March 5, 2010 meeting, Mr. Morgan suggested that we research replacing existing dump stations and converting them into mini package plants that would allow us to continue using our blue canoes. **He did not say this would be a permanent solution. Per Mr. Morgan, TCEQ has no history of other sites being permitted under this scenario; therefore, there are no sites for us to visit and examine the pros and cons related to this issue.** TALON's engineer will review this idea from an engineering perspective and include the results of his review as part of the preliminary engineering review currently underway.

Litigation—The Court postponed the hearing to June 2<sup>nd</sup> and 3<sup>rd</sup>. The injunction and restraining order are still in effect until the hearing. This means the 3 officers elected last July and the 2 appointed in August of last year still legally make up the SunEagle Bay Board of Directors despite any rumors being passed around.

The meeting was adjourned.

#### Discussion Session

A discussion regarding a document handed out prior to the meeting by Mrs. Wilson was held. The statement was made that the memo handed out replaced anything TCEQ had told us before. The majority of the people at the meeting felt that the letter reinforced Mr. Biggers' March 5<sup>th</sup> letter rather than over-riding it. A member of the audience provided Jewel with a copy of the 'Pump and Haul Frequently Asked Questions' document that was referred to during the discussion. This document was not handed out to the members of the audience. The document covers pump and haul guidelines under Title 30 Chapter 285 Texas Administrative Code (Onsite Sewage Facility).

After looking over both documents, Jewel said "she saw nothing in either document that overrides what TCEQ has told us before." She will be discussing the documents with TCEQ next week and that until the Board of Directors receives something in writing from TCEQ telling us differently, SEB will operate under the guidelines set out by SRA in July 2008 and recited again in January 2009 by TCEQ. Jewel reminded people that TCEQ stood by that same position at the March 5, 2010 meeting.

Lucky Norwood asked Jewel, "Is it true that you have to be the President of Talon and SunEagle Bay?" Jewel said "No".

The discussion ended.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

## SunEagle Bay Owners Association

### Minutes of May 2010 Meeting

The meeting was called to order by President, Jewel Kelly. All members of the Board were present. Secretary, Paula Crowley read the minutes of the April 2010 meeting. The minutes of the April meeting were approved as read and filed for audit.

The April treasure's report was given by Vickie Crews. The beginning balance for April was \$86,155.71. The ending balance for April was \$81,748.27. Vickie recapped the expenses for the month of April in the amount of \$8,426.78. Vickie commented that the collection process brought in several thousand dollars this month compared to this month last year. Since there were no corrections to the treasurer's report, it was approved as read and filed for audit.

Jewel reported that the recent filing of 1 writ of execution resulted in almost \$2,000 being collected. The money was paid directly to SunEagle Bay by the buyer of the property. After the dues and assessments were paid, the remaining dollars were credited back to legal fees.

Jewel explained that although the write off of bad debt is showed as an expense, it is not actual money spent. It does cause the total expenses booked for the month to be greater than normal.

Nominations - Diana Dorough, a new member at SEB, is head of the Nominating Committee. Nominations will close on June 5, 2010. This is necessary in order to get the ballots ready and in the mail 30 days prior to the July meeting.

Pool – The pool drains are being replaced in order to meet State regulations. The State is allowing us to use the ropes to mark the deep areas of the pool for safety reasons. We will have to visit with the State again next year regarding this subject. Despite the potty accidents 3 different small children had in the pool last year, our pool passed with flying colors when it was inspected by the State a few days after the incidents. The State employees inspecting the pool complimented the pool and cabana area and gave its up keep high marks. The pool will be closed on Wednesdays again this year for maintenance and health reasons.

Road Work – Kent Reeder covered the bids for repair of the roads. Kent was only able to get 1 bid. It was from David Lockridge of L and L Asphalt. His company has an A+ rating and no complaints within the last 36 months according to the Better Business Bureau. Mr. Lockridge's estimate of \$9,000 per 1000 square feet of road repaired would allow us to do less than 1/3 of the patching that needs to be done at this time. Kent reminded people that asphalt had gone up from \$28 per ton (what he paid 20 years ago) to \$58 per ton now. He suggested that we consider raising the future road fees in order to be able to handle the rising cost of material and labor. Kent said that he would look in to getting additional bids. Jewel asked Kent to get a bid on rock as well as asphalt. Kent offered to supply copies of the bids to anyone who might want one.

Terri Reeder asked what was going to be done to those who do not pay their road dues. Jewel replied that this year their vote would not count if their bill was not paid in full. The rules state that anyone who is more than 30 days in the rears on their dues and assessments may not vote. This is stated on all invoices. Terry said she was satisfied with the answer

Jewel explained that the road dues this year would be billed at the \$100 rate. Any change in road dues would have to be voted at the July 2010 meeting for the next billing

period of 2011-2012. She stated that the ballot would need to be mailed by June 15. Lucky asked about voting on a 5 year road fee since we will always have to have roads and road repair. Jewel said that it could be done; however, she did not feel a 5 year ballot would not pass and it would be better to go with another 1 year ballot. The board will review the matter before sending out a ballot in June.

Jessie Wilmoth asked about the billing period for dues and assessments. Jewel explained the split date was due to SEB fiscal year being from July to June each year. Terry Reeder raised the issue of voting on an increase of road dues this year for the 2011-2012 period. After some discussion, it was agreed that adding this issue to the ballot to be mailed in June and voted on in July, was a good idea. Jewel asked for input via the mail drop, etc as the amount of increase.

Darrell Crews asked about Mark Young and Kenmar's status. Jewel reported that although Mr. Young did not have a bad rating with the Better Business Bureau when SunEagle Bay contracted to do business with him, he now has an F rating. He has had 2 more complaints filed against him with the BBB in the last 36 months, one of which is another owners' association. The BBB can not reveal who filed the complaint. Mr. Young goes to court each month and gets his pass from the Judge. Jewel explained that she had visited with the DA's office several times regarding this subject and there is nothing we can do to expedite the case.

The meeting was adjourned with no objections from the audience.

## Discussion Session

TCEQ – Jewel said that she had talked to TCEQ regarding the document that was handed out at the last meeting. Mr. Biggers said that it was not his intention for the information provided to be used as a preapproved plan. The memo posted regarding that subject was approved by TCEQ prior to it being posted.

The engineering study has begun and it includes Ross Morgan's suggestion regarding mini processing plants at the dump sites. Jewel said Mr. Morgan told her that he has no record of this being done before and he does not know if it can be physically done at SEB. The engineer doing the PER will be reviewing 4 different options and hopefully will be able to give us a report at the annual meeting. He will not be able to tell us what it will cost on an individual basis. This information will be available at a later date.

LaJean Howard asked about the resignation of 2 TALON board members. Jewel explained that Tom Beasley and Jackie Steward has resigned but did not say "why" in their letters. Jewel said it was her understanding that being on the board turned out to be more than what they wanted to be involved in. Tom Beasley was present in the audience and Jewel asked him to reply. Tom said that he did not want to be personally responsible for repaying any funding related to the project. He did state that he supported the program 100%. LaJean asked if Jackie felt the same way. Jewel said Jackie's resignation did not express his reasons, however, he had written her a personal note telling her that he was uncomfortable with being responsible for financial issues. He did say that he still supported the program and her. It was asked who took their places. Jewel said Diana Dorough, a professional planner with TXI and Jim Johnson, is a retired wastewater treatment professional with over 30 years experience in operations and management were voted in as officer by the remaining 3 board members.

Darrel asked about the July TALON presentation. It was clarified that any such presentation would be an overall plan regarding our options and probably would not include cost per member information.

Jewel stated that she had left the SEB financial statements in the office and if any one would like one, they could be picked up there after the meeting.

The discussion session ended.

Signature\_\_\_\_\_Title\_\_\_\_\_Date\_\_\_\_\_

Signature\_\_\_\_\_Title\_\_\_\_\_Date\_\_\_\_\_

## SunEagle Bay Owners Association

### Minutes of June 2010 Meeting

The meeting was called to order by President, Jewel Kelly. Paula Crowley had to work and was not able to attend the meeting. All other members of the Board were present. Jewel announced that the order of the meeting was being changed to accommodate the contractor who came to discuss the roads with us.

Road Work - Kent introduced Jeff Butler of Butler Asphalt. Jeff stated that SunEagle Bay had 57,976 square feet of road that needed to be fixed. He and Kent have discussed repairing approximately 26,000 square feet. Mr. Butler suggested that a committee drive around with Kent and agree upon the spots to be fixed. Kent asked for volunteers and several people said they would help him with the task. They agreed to meet after the meeting.

Mr. Butler said that it would not be cost effective to put down base. He also said that much of SEB's old base has deteriorated. He explained that the bubbled up spots would have to be dug out. The cost of the work will be \$1.45 per square foot and he will use hot mix asphalt. A person asked how much money we have in the road account to spend. After checking with the Treasurer, Kent advised the audience we had approximately \$45,000 now which will allow us to do a little more square footage than originally thought. A brief discussion regarding bonding was held. Mr. Butler said he was not bonded and when doing patch work most contractors did not offer a bond and if they did, it was rolled in to the price of the work. He also stated that there was no guarantee on patch work. He did agree to wait until the work was completed to get paid.



Terry Reeder asked if we had any money in the general fund that could be applied to the road fund. Jewel said we would not know until the end of this year's business. Terry encouraged everyone to be open minded to using some of the general fund money if necessary. Peggy Tracy asked about fixing the hole at the bottom of the hill down from the park. Kent assured her that spot was already on the list of things to be fixed in this first round of work. After a brief discussion as to how the contractor was going to do his job, how the large amount of run off impacts the life of a road and Kent encouraging everyone to keep their ditches and culverts clean, the discussion ended. Jewel thanked Mr. Butler from taking his time to come to the meeting and said the board and Kent would meet soon. They will let Mr. Butler know the results of their decision.

Jewel announced that she left the minutes of last month's meeting at home on her desk but said they were posted on the Internet. Lucky Norwood said he had a copy and Jewel accepted his offer to let us read the minutes from his copy. Jewel Kelly read the minutes of the June 2010 meeting in Ms. Crowley's absence. The minutes of the June meeting were approved as read.

The June treasurer's report was given by Vickie Crews. The beginning balance for June was \$83,547.89. Vickie stated that the ending balance from last month was also being corrected to \$83,547.89. Vickie gave the ending balance for the month of June as \$77,419.81. The treasurer's report was approved as read.

Jewel corrected a statement made during last month's meeting. The dollar amount SunEagle Bay lost due to a previous road contractor's failure to meet his commitment and a subsequent law suit filed against him by SEB were \$16,000

paid for services but not rendered and \$20,000 in legal fees. SEB never recovered any of the money because the contractor declared bankruptcy. Jewel also stated that there is no record of a bond ever being obtained on a previous road contract.

Jewel reported that we had collected an additional \$1,600 from the recent filing of a writ of execution. A few minutes were taken to explain the writ of execution process and let people know that 7 pieces of property will be for sale on the court house steps on July 5, 2010. Location of the property will be posted on the board at the office and signs will be posted on the property so they can be located.

Nominations - Diana Dorough, head of the Nominating Committee was introduced. The nominees were also introduced. They are in alphabetical order, Lisa Allen, Gwen Bosivert, G. W. Loughmiller and Peggy Tracy. Each person introduced them self and told the audience a little bit about their experience and why they wanted to be on the board.

Jewel thanked Tracy Osborne for furnishing the stamps for one of the recent mail outs. She also stated that Tracy has furnished SEB with stamps on a regular basis the past 2 years saving SEB money on postage. Jewel again asked people to turn in their blank ink cartridges. A member of from the audience delivered a big box of the ink cartridges to be turned in to Staples.

Everyone was given an opportunity to ask questions about the ballot. It was clarified that these are bylaw changes and are legal. They have nothing to do with last year's November deed restriction ballot.

If the road assessment does not pass we can have a special election to try and vote it in at the old rate. The suggested bylaw change related to the number of meetings was made by a member who felt no one came during certain months and suggested quarterly meetings. Another member suggested every other month and the board decided to put this suggestion before the members for a decision.

An audit had been discussed at several meetings and information regarding the cost and types of audits available had been given at an earlier meeting. Each CPA contacted suggested that if the membership wanted an audit to be done, it be done every 3 years. If an audit is to be done on a regular basis, it needs to be part of our bylaws per SEB's attorney.

Tracy Osborne asked about the court date for the law suit between the Concerned People and the Board. Jewel said the court date had not been rescheduled. Tracy Osborne asked why those opposing the board members did not run for office this time. Jessie Wilmoth said she was told she could not run. Jewel clarified that she did not tell anyone they could not run. Bobbie McCormick and Ardella Norwod said that the document with which they were served said that they could not do anything.

Kent and Terry Reeder brought a request to the board to have Joe Woolfolk removed as a member in good standing from SunEagle Bay. Kent stated that he had turned in his complaint in to the board and the sheriff incident when the incident happened earlier this year. He now has the necessary papers to file trespassing charges against Mr. Woolfolk for entering his in-law's property. Terry read an email from Ann and Phil Gilfeather, her parents. The memo also requested Mr. Woolfolk be removed as a member in good standing. Terry also read the bylaws regarding membership removal. The formal request was turned over to the

board. After some discussion among members, Jewel said she would turn the request over to the membership committee, however, not to expect a quick response.

The meeting was adjourned.

#### Discussion Session

Jewel was asked if she had been ever told the people that we could keep our existing holding tanks if we brought them into compliance. Her answer was no, TCEQ has never officially told us that. Jewel handed out a letter from Donna Phillips at TCEQ. Jewel asked everyone to read the letter and determine for them self what the letter actually says regarding this issue and others. A discussion about researching alternatives and what SunEagle Bay is required to do in order to satisfy the alleged violations took place.

The discussion session ended.

Signature\_\_\_\_\_Title\_\_\_\_\_Date\_\_\_\_\_

Signature\_\_\_\_\_Title\_\_\_\_\_Date\_\_\_\_\_

Sun Eagle Bay Owners Association  
Yantis, TX 75947  
903-393-7900  
Annual Meeting, July 17, 2010 @ 10 A.M.

Call To Order The annual meeting of Sun Eagle Bay Homeowner Association was called to order on July 17, 2010, by President Jewel Kelly around 10 AM. All other board members were present. They are Thom Hanford, Vickie Crews, GW Loughmiller, Jewel Kelly and Paula Crowley.

Information Related To Ballots/Voting Ms Kelly stated that all ballots for the election of two new directors and amendments must be turned in by 10:30 AM, at which time the counting committee, Bobbie McCormick, Freddie DeJarnett, Maudine Rylee would retire to the office of SEB to verify, review and count the votes for the two board offices being vacated and proposed amendments.

Close Voting 10:30

Minutes of Meeting The previous minutes of June meeting were read by outgoing secretary Paula Crowley. The minutes were approved as read and filed for audit.

Treasurer's Report The bookkeeper, Barry Carlson of BTP gave a report regarding the protocol used in maintaining financial records of SEB. He stated that his office inputs all the financial information and the checks into QuickBooks. Vickie Crews gave the treasurers report. The beginning balance was \$77,419.81 and the ending balance was 70,389.86. In addition, Vickie said that as of July 15, 2010 the bank balance including invoiced dues and assessments for 2010-2011 was \$154, 278.13.

Road Report The road report was given by Kent Reeder. He announced we had signed a contract with Jeff Butler, the contractor who came to the meeting last month and that Mr. Butler plan to start work next week.

Recognition and appreciation was given by the President for the service of Board Members and other Members of SEB for their contributions throughout the year.

Update to 7 year Business Plan:

A report was given to the membership by Engineer, James Flournoy, of Klotz Associates, who had been hired to do an engineering survey as part of the required steps toward resolving sewer issues and the TCEQ sewer violation. Mr. Flournoy discussed the feasibility of 4 possible resolutions as required under USDA guidelines. He was able to give the members an idea of how much it would cost and how the cost would affect them as individuals. He also took questions from the floor.

A report by the attorney, Timothy J. Karczewski of Zeleskey Law Firm, (representing Talon group, which plans to manage and operate the sewer operation) was give. Tim opened the floor for questions.

The Metamorphosis of Sun Eagle Bay by Jewel Kelly discussed the growth and changes that have taken place at SunEagle since 1986. Darrel Crews assisted with the PowerPoint presentation which included a series of pictures, graphs and charts showing growth and the cost associated with it.

The meeting was adjourned until the votes were verified and counted by the counting committee.

The meeting was reconvened. President Kelly asked if the votes and proxies were verified and current. Ms. McCormick stated that all ballots and proxies verified by the counting committee and were properly dated and signed.

Ballot Results Ms. McCormick stated that 6 votes were disallowed by the committee because the member did not sign their ballot or their dues were not paid. The following numbers were verified and reported by the counting committee:

Lisa Allen – 32 votes; Gwyn Boisvert-47 votes; G.W. Loughmiller - 68 votes; Peggy Tracy -57 votes.

G.W. Loughmiller and Peggy Tracy were elected as the two new board members.

Amendments:

Amending the by-laws to include an audit every 3 years was approved. 80 -yes and 33 –no votes.

Amending the by-laws to change the SEB meeting dates to every other month was approved. 79-yes and 32-no votes.

The Road Assessment increase from \$100 to \$150 was not approved. 48-yes and 64 no votes

Ms. Kelly was asked what we were going to do about the increase not passing. Ms. Kelly stated that special meeting would be called to before end of year. A proposal would be made to keep the current rate of \$100 now being charged for road assessment for the year 2011-2012. Ballots will be mailed out.

Ms. Kelly adjourned the meeting and closed by saying the Board of Directors would have a meeting in the office following the annual meeting to assign tasks and duties.

The meeting was adjourned.

These minutes were transcribed by Peggy Tracy, Secretary and will be read at the September meeting, submitted for approval and filed for audit.

Sun Eagle Bay Board of Directors  
Yantis, Texas  
Meeting July 17, 2010

The meeting of the Board of Directors of Sun Eagle Bay was called to order by President, Jewel Kelly. Officers present were Jewel Kelly, Vickie Crews, Thom Hanford, G.W. Loughmiller and Peggy Tracy. This meeting was held in conjunction with the annual meeting on 7/17/10 and took place about 2:30 PM. At the annual meeting two officers were elected by the membership. The officers elected were G.W. Loughmiller and Peggy Tracy.

This meeting was held to determine each officer's position. The President asked Peggy Tracy to take the position of Secretary and she agreed. As Secretary, Peggy will assist in collections and other administrative tasks. G.W. agreed to retain his office of VP. The other 3 officers agreed to retain their positions as follows: Jewel Kelly-President, Vickie Crews-Treasurer and Thom Hanford, Director of Maintenance and Architectural Review. The meeting was adjourned by the president.

These minutes will be read at the September 2010 meeting and submitted for approval.

Transcribed by Peggy Tracy, Secretary

MINUTES

Sun Eagle Bay Owners Association  
Yantis, TX 75947  
903-393-7900  
Regular Meeting,  
Sep 18, 2010 @ 10 A.M.

Call To Order The regular meeting of Sun Eagle Bay Homeowner Association was called to order on September 18, 2010, by President Jewell Kelly around 10 AM. All other board members were present. They are Thom Hanford, Vicki Crews, GW Loughmiller, Jewel Kelly and Peggy Tracy.

July minutes were read by Peggy Tracy and approved.

Treasurer's Report was read by Vicki Crews

Update of Sewer Violation and solution: Ms. Kelly stated that inquiries based on land purchase to assist with the sewer connection to the City of Yantis have not been successful. The City of Yantis has not responded to SEB request to the possibility of a connection with their system but is expected to do so soon according to Ms. Kelly.

Ms. Kelly informed the membership that statements and collection letters would be going out to all those members in arrears in dues and assessments and legal action may follow. Information was given on lot issues and availability. In answer to a member question, there is still no update on the issue with mediation resolution with the Old board/new board takeover last summer, or any court dates related to that matter.

Ms. Kelly re-introduced Harold Hunter consultant for CRG, to provide an update on the sewer situation and requirements of application. He related info regarding the environmental report, engineering survey, and application process with USDA and estimated costs related to the project. There was discussion with the membership.

Kent Reeder discussed his complaint and request to terminate the membership of Joe Wool folk with SEB. President Kelly said she had consulted the SEB attorney and upon his recommendation, would proceed with the next steps to include writing the protocol for the action, forming membership committee to hear the complaint, and notifications. Ms. Tracy stated that in reading and hearing Mr. Reeder's complaint, that in her opinion that this was a civil complaint based only on verbal conversations and not destruction of property or physical violence and was not a serious offense enough to warrant this action. She requested that Ms. Kelly talk to the attorney again.

The meeting was adjourned.

These minutes have been transcribed by Peggy Tracy, Secretary, and were read at the November meeting, corrected and approved and will be filed for audit.

\_\_\_\_\_Peggy Tracy\_\_\_\_\_signature  
Peggy Tracy, Secretary SEB

Sun Eagle Bay Owners Association  
Yantis, TX 75947  
903-393-7900  
Regular Monthly Meeting, November 20, 2010-approved

Call To Order - President Jewel Kelly called the regular bi-meeting to order about 10 am and there was quorum present.

Board members present were Thom Hanford, Jewel, Peggy Tracy, GW Loughmiller. Vicki Crews was not present due to illness.

Information Related to Ballots/Voting and count for Road Assessment

AT 10:30 ballots would be collected and taken by the ballot committee consisting of –Tom Beasley, Thomas Witmore and Mark Meng. Upon authenticating the ballots, the committee will return with the count. At 10:30 the committee went to the office to count the votes.

Minutes of previous meeting in September 2010 by Peggy Tracy and a correction was made regarding the name of company the Talon grant administrator works for. It is CRG, not CRC. Minutes were approved after the reading and will be filed for audit.

Treasurer Report – Ms. Kelly stated that Vicki was ill and was excused from this meeting and gave an oral treasurer’s report as follows. The typed report was given to the Secretary on 12/1/10 by Ms. Kelly and added to the minutes of this meeting.

Treasurers Report

	September 30 Summary	October31 Summary
Income	3,983.52	5,642.00
Expenses	6,984.49	2,687.75
Expenses includes (Sep. only) \$1,172.00		

Year-to-date 7-1-10 thru 10-31-10

Income \$122,797.84

Expenses \$26,508.54 including all bad debt

Collections efforts Sept-0, October - \$1,969 and November 19 - \$1,600

Bank balance Sept 30	\$89,630.50
Oct 31	92,319.25
November 19	93,575.42

Road Fund \$17,000 (Note: Road fund is part of the total bank balance)

Reports of Officers

Jewel Kelly discussed various health issues of the Board of Directors and thanked members for their thoughtfulness in her recent recovery from surgery.

Thom did not have a report at this time.

Peggy Tracy discussed the need for association liability insurance for Sun Eagle Bay and stated that she would research the cost and options that might come under one policy through an agent and have a report at next meeting, since it (insurance) is not currently in place.

Recognition and appreciation for services Kelly recognized Mark Meng for his continued efforts and work in the park with an eagle sculpture.

Reports of Committees

Scrapbook for SEB-Jessie Wilmoth reported that she has collected old and new pictures and invited all to donate pictures for the scrapbook.

Old Business Selection of Auditor Ms. Kelly reported that we have received 3 bids to audit SEB. We have accepted Thomas R. Smith CPA at 2461 FM778 Mineola, TX 75773 903-967-3819.



Collection letters – have gone out to members whose accounts are 90 days past due and over \$500.00.

Update on Mark Young-Kenmar has again asked and received an extension from the Wood County court. Ms. Kelly stated that she had information that he had planned to plead guilty but did not.

Update on sewer violation and resolution –

Ms. Tonya Norris, City Secretary of the City of Yantis signed the SEB Meeting sign-in sheet to speak, and she identified herself, and requested time to speak regarding this matter. President Kelly told her that what she told us would have to be confirmed in writing. The City Secretary of Yantis produced a letter and gave it to President Kelly and asked to be allowed to read it at which time Ms. Kelly agreed. The letter is from Mayor Jerry Miller, of the City of Yantis is scanned into these minutes exactly as follows:

*CITY OF YANTIS*

*November 19, 2010*

*To Whom It May Concern:*

*For several weeks now, I have been hearing rumors in the community regarding the possibility of Sun Eagle Bay piping wastewater to the City of Yantis. I am writing this letter to help clarify, what I would call “here say information”.*

*According to your November minutes, obtained from your website, it states that “The City of Yantis has not responded to SEB request to the possibility of a connection with their system but is expected to do so soon according to Ms. Kelly.” The City of Yantis has no knowledge of such request. The City of Yantis conducts all City business in an open meeting of the Yantis City Council once a month. There is no record of Sun Eagle Bay making a request to be heard on the agenda. So, I am confused at what request we have failed to respond to or what request we are expected to respond to soon.*

*We did have an engineer by the name of James Flourney contact us by telephone and he was directed to communicate with our engineer Tim Lackey. Mr. Lackey has not contacted us about any proposals or options that would allow Sun Eagle Bay to make a connection to the City of Yantis Wastewater Treatment Plant.*

*Please allow me this opportunity to be very direct. Presently, there is NO OPTION for Sun Eagle Bay to obtain a connection for the accessibility of piping wastewater to the City of Yantis. Our existing wastewater treatment facility is nearly 30 years old and adequately meets the needs of the 175 connections that we are currently providing service for within the City Limits of Yantis. The City of Yantis has refused service to areas outside of the City Limits for some time now due to the strain that it could possibly put on our dated system.*

*The City of Yantis operates with only two (2) full time employees and the governing body of five (5) council members and one (1) mayor. At this time we feel that the magnitude of the request to make available a connection to our Wastewater Treatment Facility that would provide services for the entire Sun Eagle Bay area would be a huge burden for us to undertake. Therefore, again I will say that at this time a connection to the City of Yantis Wastewater Treatment Plant is NOT possible.*

*Please understand that the City of Yantis will not be held liable for any expenses incurred due to the continued research and development of a wastewater plan for Sun Eagle Bay. The City of Yantis has provided contact information for Tim Lackey, engineer of our Wastewater Treatment Plant, but assumes no financial responsibility resulting from any and all consultation with him.*

*I hope that I have provided adequate information to help you understand our position on this matter. The City of Yantis is simply unable to entertain such a major project at this time.*

*Sincerely,*

*Jerry E. Miller  
Mayor*

Upon Ms. Tonya Norris reading the City of Yantis letter, a couple of questions were asked of the City Secretary, and there was a response from President as follows:

Board Member, Peggy Tracy referred to content of the mayor's letter and asked about number of employees who work for the city, which are only 2 full time employees who do all the maintenance work and all the administration for the City of Yantis. The City Secretary works from 9 am – 1 pm because that is what the City budgeted, and the number of employees they can afford. Ms. Tracy also asked about the dollar amount and availability of grants/loan received by the City of Yantis. Ms Norris responded that they had just received and \$250,000 grant for wastewater improvement and that this was a large amount grant for them even though they need to update their utility since it is over 30 years old. Ms. Tracy thanked her for coming and speaking to the members of Sun Eagle Bay. Ms. Norris also responded to the question about the number of connections and system capacity as follows: They have 165 to 175 connections and are at 40% of their permitted flow.

President Kelly responded to the Mayor of Yantis letter comment that there is no record of SEB contacting city hall or making a request to a possible connection to the city sewer by saying that she and Mr. Flournoy drove over to City Hall and arrived around 1:30 PM. At that time, they noticed a sign stating the City Hall hours were 9 am till 1 pm M – Friday, and since it was after 1 pm, the office was closed. President Kelly stated that while it is true that Sun Eagle Bay itself, had not contacted the City Of Yantis about a possible sewer connection a request for information was made by Talon Water and Sewer through Engineer, James Flournoy of Klotz Associates Inc. This was done by phone and written documentation. It is her understanding that Mr. Flournoy also spoke with someone (name unknown) at City Hall who referred him back to their engineer. Mr. Flournoy has not received an answer from the City of Yantis Engineer.

The City Secretary stated that The City of Yantis conducts ALL CITY BUSINESS in an open meeting of the Yantis City Council once a month.

President Kelly did tell the city secretary that she would submit a request to speak to the city council.

Tonya Norris, City Secretary of Yantis thanked everyone for listening and added that the City of Yantis is simply unable to entertain such a major project at this time. Upon request, she provided city business cards with hers and the mayor's contact information. These were passed out to the SEB Board of Directors.

#### New Business

Fundraiser - Esther Norwood volunteered to spearhead a fundraiser and will provide info to members next month, possibilities may be to sell caps or jackets with SEB log. Jessie Wilmoth offered to assist. GW said he would give her some source info he had for making caps.

Dog control - There was discussion of the two boxers who were reported to have bitten Joan Danforth on last Friday while they were running loose.....Ms. Danforth reported it to Wood County Sheriff and discussed the unprovoked attack and concerns for others and possibly children. Ms. Kelly and others discussed the inability of the sheriff to do anything and that we cannot enforce the bylaw either.....we might amend it to include fines. Ms. Kelly apologized to Joan for not calling as it had been reported to her that it was someone named Jan. On Saturday, the dogs were loose again and ran through the streets chasing and tearing the canvass cover on one golf cart. The owner was called by the sheriff and warned about further complaints and owner was also advised by the president of SEB on this matter. The older dog was taken out of the park and found a rural home and the younger boxer is still on property but under control and a run was built for the dog.

Speeding – discussed speeding in the park.....school bus from Yantis ISD driving too fast down to the gated entry of SEB....this incident was reported to Yantis ISD. It was also reported that someone has again stolen signs in and out of the park.

Meeting was adjourned after a motion was made to adjourn and post the results of the ballot in the cabana and on the office door. Regarding the ballot for a Road Assessment at \$100 for 2011-2012

votes are verified and counted by the Ballot Committee made up of Tom Beasley, Thomas Witmore, a volunteer from the audience, who joined Mr. Beasley and Mark Meng.

Ms. Kelly read the vote per the tally sheet.....there were 80 yes and 22 no and verified the ballots. The \$100 Road Assessment for 2011 and 2012 fiscal year passed and will be amended in the bylaws. Copy of ballot sheet will be posted on office door at SEB.

Member Comments – Signup sheet at director table and must be signed before meeting begins. 3 minutes allowed. Board may respond but is not required to respond.  
Signees: Tonya Norris, City Secretary of Yantis, Jessie Wilmoth, Joan Danforth and Vick Niebrigge spoke.

These minutes were recorded by Peggy Tracy, Secretary, and read and approved at the January 2011 meeting.

AGENDA

Sun Eagle Bay Owners Association

Yantis, TX 75947

903-393-7900

Regular Monthly Meeting, November 20, 2010

**SIGN UP SHEET FOR MEMBER COMMENTS – MUST SIGN UP PRIOR TO START OF MEETING. LIMITED TO 3 MINUTES. BOARD MAY RESPOND BUT IS NOT REQUIRED TO RESPOND.**

**NAME AND LOT NUMBER PLEASE**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_