

Approved

Sun Eagle Bay Owners Association

Yantis, TX 75947

903-393-7900

Regular Monthly Meeting, January 15, 2011

Call To Order - President Jewel Kelly called meeting to order and all directors were present.

Reports of Officers:

Minutes of previous meeting

P Tracy read the minutes and they were approved as read and will be filed for audit.

Treasurer Report

V Crews gave financial report as follows which she corrected in March meeting of 2011:

Beginning Balance \$92,319.25

Ending Balance \$92,299.86 the error was a check to Country Boys \$19.39 posted incorrectly per Crews.

Reports of Committees

Scrapbook SEB

Jessie Wilmoth asked for old or new pictures for the scrapbook.

Fundraiser

Esther Norwood had no report

Old Business

Auditor Report- Thomas Smith, CPA of Mineola who was hired to provide SEB a 3 year audit gave a preliminary report to the members. The records are as good as any volunteer operation I have ever seen. Members of the Board and the bookkeeper, Mr. Carlson have provided any and all records needed. As far as He can tell everything has been done morally, ethically and legally and the Board has fulfilled their fiduciary responsibilities, and Mr. Smith found no evidence of anything otherwise done by the Board in the last 3 years that benefitted anyone other than SEB and no other organization. Including reimbursements, A few checks made payable to cash and most of them were in early 2007-8, which were petty cash reimbursements. More recently, there were situations where checks payable to cash were made when accounts were under control of courthouse and there are receipts for labor contracts. There are continued improvements for record keeping over the last 3 years. He asked if there were any questions. J Kelly asked when the audit report would be submitted for the Board to review before the published report and he stated by end of January. J Kelly asked the CPA if in his opinion an audit should be done every 3 years and he responded that SEB is not auditable from the traditional standpoint unless someone was willing to put in 500 to 1000 hours of work, for example the assets and depreciation. There are no records for that and there is a need to clean up some of the small account balances. He said I would say an operational review or examination where you specifically say a beginning cash balance and an ending cash balance where all the records exist in between are reviewed that can be signed off on. This is something that can be looked at and keeps everybody happy. This is a limited scope audit and yes you probably ought to have one of those to keep the peace. There has never been one in the 25 plus years and it is not possible to do an audit without complete records. The fixed assets records are just not there. J Kelly said we are obligated by our by-laws to do an audit every 3 years, and Mr. Smith recommended this non-traditional type of audit. When asked about how often this review should be done by V Crews, Mr. Smith as first said every 2 years and then stated that frankly He recommended to do it every year because that is the way most things are set up. If you start looking for 3 years of records, they get lost.

Update on Mark Young-Kenmar. There is resolution as reported by J Kelly. Mr. Young pled guilty and the court gave him five year probation and he must reimburse SEB \$10,000 at \$200 per

month and 130 hours of community service as J Kelly discussed with his probation officer. Kelly will look into which account this money will be deposited since the money had to be taken out of the General Fund after the offense happened.

New Business- None

Member Comments—J Kelly asked Jim Kettler for member comments sign-up sheet to speak. Jim made observation that in section two that his and 5 other trailers had their power wiring cut and stolen. The sheriff was contacted and report made and he wanted to bring it to the attention of the members. He discussed how the thieves might have gotten access, possibly through the gate and he feels there is a need to review the security situation in SEB.

J Kelly replied that this is not the 1st time this has happened and it has happened at the front gate before and that even the boat ramp was hit. She stated that there is no way to keep people from coming in SEB from the outside or the back side. Fortunately we have very little happening in SEB compared to the outside. We have had some incidents that have happened around here that needed to be reported that have not been reported. If you do not report these incidents and do not get a license plate and report it, for example it was noted that there was a suspicious van out here and several different people saw it but got no license plate and it was not reported to sheriff till a couple of days later. The window of opportunity is gone then. We must be more pro-active and report suspicious vehicles and incidents and try to get license. We are not going to be gun carriers or stop people. There was further discussion and a member suggested cameras at the gate and or on private property, perhaps operated by motion to monitor who comes into SEB.

Another signer on member comments, Jessie Wilmoth said she is tired of Bobby Sartin's son riding dirt bike and speeding along the streets and J Kelly said we may have to write a certified letter on this matter.

Adjournment J Kelly adjourned the meeting at 11:40 AM

These minutes transcribed by Peggy Tracy and read, corrected and approved at March 2011.

Minutes
Sun Eagle Bay Owners Association
Yantis, TX 75947
903-393-7900
Regular Monthly Meeting, March 19, 2011

Corrections were made in May 2011 meeting to include quotations and who started a discussion.

Call To Order - Meeting was called to order by President Kelly around 10 am. All Board members were present.

Minutes of previous meeting in January 2011 were read and the Treasurer's report was corrected by V Crews to a beginning balance of \$92,319.25 and ending balance of \$92,299.86. Error was one check to Country Boy Trash in the amount of \$19.39 that was posted incorrectly. Minutes were then approved and will be filed for audit.

Reports of Officers

Treasurer's Report- Vickie Crews reported Beginning Balance 1/31/11 of \$84,240.15 and ending balance of \$82,926.66 and reported total collection efforts of \$131,312. No copies were given to the members.

Vice President- Misuse of Burn Pile – G. W. Loughmiller stated that members were putting garbage bags, plastic and trash in the pile. If it continues the pile may have to be eliminated. Please report inappropriate trash to the office or board member. Board will make decision and get the repairs done in time to open Memorial Weekend. Kelly stated that the repairs had been budgeted for this year.

Appointment of Nomination Committee The president asked for volunteers and Jessie Wilmoth volunteered as did Terri Reeder who will assist Jessie.

Reports of Committees

Fund raising-Esther Norwood designated Terry and the other Norwood ladies who will assist and outlined a plan for the fundraising events which will include sale of caps, jackets, shirts with SEB, cake and pie sale and have a luncheon after the annual meeting where members may pay and pre-order for caps, etc. Please give recommendations for the use of money to be raised, i.e., For example improvements at boat launch, etc. Tracy and Kelly volunteered to make signs for events.

Old Business

Collection letters will continue to be sent out to those who owe \$500 or less.

Kelly reported that we received 1st check from Mark Young per the court order regarding legal charges regarding unfinished road repairs. The amount of check is \$180. It was thought the check would be \$200 and Kelly will check into why the different amount.

Update on sewer violation and resolution.

President Kelly stated the following: "Every month we try to tell you how we stand on our sewer situation out here. Everybody has their own interpretation and their own stories about what happened. I am going to tell you my understanding of the meeting last week with SRA and TCEQ. I am going to read you my understanding and then I will have a few comments. This past week I met with TCEQ and SRA and it was clarified that SRA would be over individual lots and would handle violations occurring on that property. Though it is not their goal to catch anyone if a violation is reported or found by SRA it must be investigated and file the applicable law pertaining to the issue. SRA is bound by law to enforce the rules as written. You can contact SRA and get a copy of the rules in their entirety." She continued and said the reason I make that statement is you just can't pull a page out of this like you do in the Bible and say this is what it means. She stated that "TCEQ will be over the type and license of holding tanks now being used for Pump & Haul. At this time there is no provision to get those tanks licensed again. TCEQ will take appropriate action if a violation occurs and is reported. She stated that as long as we use Pump & Haul even if it is in conjunction with individual's right to have a holding tank or other OSSF (on-site sewer facility) on individual property." There is no change in the current law. We will have to contend with the possibility of receiving a fine for spillage that is reported or discovered by any agency. She continued to state the reason for that is that falls under health and safety and that is a whole different issue. President Kelly stated that "it is my understanding that putting in alarms, etc as un the OSSF system will not make any difference as to the issue of being re-licensed." When the original license was issued all property was owned by one person an it was a legally licensed RV Park". She went on to comment that we were no longer an RV park after the first lot was sold and said you could find the definition on the internet.

Lucky Norwood asked where Kelly got this information and she said from SRA and TCEQ.

There was questions and discussion between President Kelly and members as to why Kelly had told members that only a sewer system or treatment facility was the only option . One member said that members never got to vote on the issue.

Kelly asked the membership to consider not limiting ourselves if we did amend the deed restrictions to just holding tanks but use the term OSSF for on-site sewage facility.

The subject of holding tanks came up and Kelly stated "that some people have led TCEQ and SRA to believe that the majority of members want holding tanks or are perfectly content with Pump & Haul. She stated that she does not believe that is true." She continued to talk about info she had found out about installing holding tanks on individual property and costs versus sewer system. She passed out handouts regarding this material and her interpretation of the stand SRA and TCEQ have taken.

When asked who Jewel was talking to at SRA by Peggy Tracy, Jewel stated that she had been talking with Jerry Clark at SRA.

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.

Jewel Kelly said " she reserves the right to rebut comment after member comments".

Joe Woolfolk :

Joe Woolfolk stated the following: “asked members go to the Sun Eagle Bay website and read all the minutes and other material regarding wastewater at SEB. He stated that July, 2008, newsletter says, changes are coming our way the way SEB does wastewater and gray water. We have to keep an open mind. It says that the State has advised us that we have to install a sewer system and wastewater treatment and that the state will monitor and will have plans of action to help us and give us a reasonable amount of time to be in compliance and that we do not want to receive a mandate from TCEQ. There has been discussion about getting grants and in my opinion we are never going to get a grant as we are a fishing camp. Then Jewel Kelly went out and formed Talon Water and Sewer. She did not ask you about it she just went out and did it. She said we are going to do a PowerPoint presentation to introduce you to your new water and sewer company. She said that we have no option.” He commented that we have the right to buy water from Lake Fork Water, but that Lake Fork Water did not have to sell water to Talon. Joe said that “Jewel stated that Dump stations will be shut down.” Joe said “Kelly told members they would be required to pull their trailers off the lot and dump them and that Kelly also stated that we must change our deed restriction and bylaws, and she tried to change them in 2008 and lawyer told her it was being done illegally. Carolyn Piper tried to tell Jewel this. Darryl Crews, in his PowerPoint presentation said we have no other option, and that the bylaws and deed restrictions would have to be re-written. This was said over 30 times. , we have to install a wastewater facility and we have no option. All of this is Jewel’s writing.” Joe said “Kelly told us we were lucky we were not mandated like White Oak Shores, and introduced Connie Autrey who was over here from White Oak Shores...just happened to be here and that White Oak Shores. I guess they thought that I would never get a copy because they were keeping it in a safety deposit box. But there is no mandate....it is a violation just like ours.” Joe stated “that the SEB violation that we have from TCEQ has gone away. Mr. Doug Belzer is so smart, he wrote it wrong and I caught him you will see in a minute. Mr. Belzer wrote several responses and finally said they cannot mandate us. Kent Reeder and myself had falling out, which is a civil matter, and I said something not very nice to him and I have since apologized. Jewel even said she spoke to the lawyer said they could put me out of here. Kent did a good job on these roads and you should tell him you appreciate it and he should be given the little eagle statue. He stated Kent mentioned to him one day that his brother on Cedar Creek Lake has a holding tank and there is a company that makes a plastic holding tank which costs \$899 to be shipped here, and about \$30 for the connection for the dump tank to pull up to it – this is a 500 gallon that may be anthis is an option for those wanting a about holding tank. You know for years if anyone asked Jewel a question that she could not answer, she would say we are not going to talk about that, or that her lawyer Larry Wright told me I could do it. Well Mr. Wright is going to have to testify about that in court. We voted Jewel out. It was a consensus of the people. She went and filed suit on the bank and used \$1,600 of your money she had to pay to the banks lawyer. We have turned around and re-filed on her. Our lawyer put it off once because he had a torn aorta a couple of months ago and almost died. They are not going to go to court with us because we will crucify them. I do not know this for a fact but I guarantee that the lawyer told her we can’t go to court because we can’t win.” “Jewel, if you think you can win, you put your big girl pants on and lets get up there to the courthouse and settle this”. “There has been a minimum of 50 fraudulent statements made by this lady and this man and a lot of you who are her friends have made fraudulent statements to the good people land owners of Sun Eagle Bay.” Joe spoke to members in attendance at the meeting about how long they have known him and Lucky said over 30 years and he has never lied to him. Jewel Kelly said “a while back she was having a meeting with the Texas Water Board and Jesse Wilson asked if he could go and so we go to the meeting and it is with CRG, a grant writer. We cannot ever get a grant and Talon is not either and where are you going to get \$5,000,000. There is only one thing in this property that has any value at all...and that is your property. That is the only thing that money could ever be borrowed on.” Joe said “ Kelly said that Mr. Kerbow down at

Palestine told her to go get a bank loan “ Joe said,” can you tell me of any bank you know that would lend us \$1,000.” Joe said “I am in the process of filing a lawsuit for fraud against these people.”

Joe continued, In my opinion Jewel never had any intention of putting a sewer system in and that she wants to change the deed restrictions so that she becomes more queen than she has ever been and she wants to form Talon Water and wants us to vote Talon Water in so that she can buy water from Lake Fork Water and sell it to you”. Joe said that “ White Oak Shores, when they put in a sewer, they already had pipe in the ground. They spent \$187,000 for their sewer system which if that is all we had to spend that would be great. They used their accounts receivable. It would cost us a minimum of \$5,000,000. We would have 5.2 miles of pipe in here.” I said “a filtration system in here would not work, so Kelly brought up that we were going to Yantis and she spoke to the City of Yantis about tying into their sewer before their council meeting. Jesse Wilson Wilmoth, Peggy Tracy and myself went to the council meeting and I talked to them for 30 minutes and they said they were not interested. If you look, everybody who has ever said anything in a meeting around here is in the SEB minutes, but you will not find my name. The only thing you will see is somebody talked to Mr. Biggers and yes, that was me.” Joe handed out copies of two emails with questions from Joe and answers from SRA and TCEQ which were read to the members present at the meeting. “Now, Peggy, I have something for you to read from Jerry Clark, SRA and Leroy Biggers, TCEQ, and I did meet with them. I also met with USDA. The USDA has a file on Sun Eagle Bay. There is nothing in it. It is blank. Jewel has never filed any papers with them USDA said and USDA rep stated he did not underwrite the \$30,000 unsecured loan to CRG. He said they did not do it. He said USDA did not pick up the phone and call Harold Hunter of CRG to tell him to help Sun Eagle Bay with Talon. He said they did not do it. I have been trying to get a hold of Harold Hunter of CRG for 2 weeks and he left me a message that he was out of town and could not get back to me. If you have any questions I will stay an answer them.” Our violation....”we have people who believe that it was done on purpose. Darryl, can you tell me what a Whistleblower Act is?” Darryl Crews responded, “no I can’t”. Joe responded that “the Whistleblower Act is when somebody is doing something illegal and you tell them on the sly, they can’t ever tell anybody who called and told them or who said it. Well, you don’t realize it, but there is something that over-rides it and that is called Open Records Act.”

Joe: “Now, Daryl, do you want to tell us who turned us into TCEQ?” Daryl said” he does not have any idea” and Joe said” I am glad you said that. Jessie Wilmoth, you are paying a camping fee and she said “no”, and Joe said “but you did at one time.” “OK”. Joe said, “Well it was voted down and she started charging, because I have your receipt here where you paid.” Joe said, “she dispels anything that is voted down”. Joe “Now, Jewel, in my opinion you have been asked to step down and you and your Board need to resign today and let somebody else take over and that is my opinion.” After Joe asked Terri Reeder’s permission he informed the members that Kent Reeder gave me a letter asking to be added to the list for a holding tank. After Joe finished talking, Peggy Tracy read the two emails from Jerry Clark of SRA and Leory Biggers of TCEQ. References were made to an earlier meeting between TCEQ, and SRA in which Joe said “ they stated their authority regarding SEB”.

Joe handed out Copies of SRA and TCEQ emails.

After the emails were read there was further discussion.

A member asked why this has not been told to the membership before this time. And about the date of the TCEQ/SRA meeting.

Joe stated that” 5000 gallon tanks and above is under the authority of TCEQ and anything below that comes under the authority of SRA . So the original license in 1986 or 87 that was given to Mr. Schram, TCEQ should have given that license, not SRA. It was a mistake on their part”.

When asked, Joe said "he does not care who is elected to the board. He does not enter into politics except when there is lying and cheating. You need to elect people not your friends or your next door neighbors and look at that person and say is this the best person to take care of Sun Eagle Bay business, period."

Joe said that "he thinks the theft that is happening in Sun Eagle Bay is not coming through the front gate and that it is coming from the lake and you cannot catch those people and Jewel is right about that".

Jewel asked if there was anybody else who signed the Member Comment List who wanted to speak .and a member who signed the list discussed theft at his property. Jewel said" there have been suggestions that we change the gate code and there was discussion about how to do that".

A member asked Joe Woolfolk something about what he had stated today and Joe said "you do not have to believe me, or Jewel. Go ask these people at SRA, TCEQ yourself, do not take my word or hers for it".

Joe stated" that he had been to the Attorney General several times and this thing needs to be settled. Jerry Clark of SRA has suggested Hopco who is on the TCEQ website approved list for installing holding tanks to Jesse Wilson and after discussion with him said he could do 20 at a time, but cannot do anything till deed restrictions are amended".

Peggy Tracy suggested that it has to be put into the deed restrictions that the property owner has the responsibility and liability for permit, installation and dumping of his holding tank and gray water.

Discussion followed and it was requested by members in attendance that the deed restrictions be amended to allow individual holding tanks and that Tracy, secretary of SEB work on that proposal to amend the deed restrictions to send out to the membership for a vote.

Tracy stated that" she would do this upon the verification of the documents and information discussed that J Woolfolk presented this date and that the amendment would also include based on the laws and regulations of county agent, SRA and TCEQ".

The president adjourned the meeting.

Minutes were approved with corrections July 16, 2011.

Peggy Tracy, Secretary July 16, 2011

Minutes
Sun Eagle Bay Owners Association
Yantis, TX 75947
903-393-7900
Regular Monthly Meeting, May 21, 2011

Call To Order - President Jewel Kelly called meeting to order around 10 am. Thom Hanford was not present. Crews, Tracy, Loughmiller, and Kelly were present.

Chad and Tommy Rawson of Hopco Clearwater spoke on the subject of holding tanks/OSSF explaining the procedure of permit and site evaluation, and requirement that each property owner must have his own permit. The presentation by Hopco Clearwater included info about the holding tank structure (concrete), and sizes, placement and depth. Base Prices will include permits, engineering and installation.

A 30 day price lists for several sizes of holding tanks were handed out.

500 gallon-\$1400

750 gallon-\$1800

1000 gallon-\$2300.

There was discussion on other types of aerobic OSSF (spray, drip and LPD) which could range from \$5000-\$7000. Information related to alarm system requirements, warranty and other required service was covered. Per SRA guidelines, once the holding tank goes in the ground on your lot, all gray and backwater must go into the tank per Mr. Rawson. Dirt disposal, boring, hooking electrical to alarm panel, and a control box are an example of extra charges. A contract for disposal/pump and haul is required and copy of your contract must be provided before installation is begun. Rawson of Hopco Clearwater said electrical service is required, but water service is not.

Alarm system alerts are the responsibility of the owner and the pumper should be called immediately when it goes off. The alarm can be silenced with a button outside on the tank but the red light will stay on until the tank is pumped. Northeast Texas Disposal is the pumper SEB uses and may be contacted as to their prices for pumping. Rawson of Hopco Clearwater can install aerobic systems too if you have enough land. Hopco Clearwater was asked if you have to have dedicated land for the disbursement of effluent for aerobic system and the response was yes. Hopco Clearwater handed out business cards and price lists. Everyone thanked Hopco Clearwater for coming.

Kelly reminded everyone that property owners of SEB could not do anything until we vote on the proposed Deed Restriction amendment in July by ballot, which will be mailed to members in June.

Minutes of previous meeting of 3/19/11, which had been posted, on the website several weeks prior, copies were distributed to the members, and read by the secretary. There were some corrections made by Mrs. LaJean Howard. Kelly asked Tracy if she had typed the minutes herself and Tracy said yes. The minutes will be re-submitted to include quotation marks as requested, at next meeting for approval.

Treasurer Report was read by the treasurer, Vicki Crews. No copies of the reports were provided to the members.

Crews gave a beginning balance As of 2/28/11 \$82,926.66.

ending balance As of 4/30/11 \$75,417.19.

To date as of 5/20/11, \$73,109.13.

\$22,739.35 of that amount belongs to road fund.

Treasurer was asked about expenses but did not have copies of expenses or the treasurers report to hand out to members and Kelly said if you want a copy come by the office and get it. Kelly asked are there any additions or corrections to the Treasurers report? If not they will stand approved as read.

Reports of Officers

Swimming Pool – Kelly reported that the pool had been redone at a cost of between \$15,000 - \$17,000. We replaced broken tile, sandblasted and resurfaced the pool. Jessie asked about the lights in the pool that they are not working and not on at night. Jewel replied that it was a timer and would be fixed. We

Kelly reported she had hired a new pool maintenance person, Randy Bunch. Kelly stated that all his references gave him good recommendations and that he would be getting certified. Randy is part of Maudine Riley's family. Maudine has agreed to cover for him when he is not available. When asked if he would be taking care of the aerobic system, Kelly said she has not discussed it with him. This is a part-time job and he will be paid \$500 a month. He will come down every morning to open and clean it. That is not for 12 months. ½ month this month and full pay through September which he will be paid ½ month.

Mowing – Roger and Gwyn Boisvert are doing the mowing. \$250 each time they mow. This would not be year-round.

Maintenance/Security –

Kelly reported SEB had overflow in dumpsite in Section 2. On March 14, and May 18th where the holding tank at the bathrooms and dump station going into Section 2 overflowed because the toilet was left running and this is a violation. It is something that TCEQ can act upon. Peggy Tracy reported that she was called about the overflow on the 18th by the security guard. As required, Tracy reported the overflow to Troy Henry at SRA and stated that about 5 gallons had leaked into the rock area but not into the ditch. Peggy suggested that it might be helpful to replace the existing toilets with 1 ½ gallon flush toilets. If you see anything like this, please report it to a board member.

Members asked if the security guard could not take a couple of minutes to check the bathrooms while on her rounds during the day. Kelly did not think it a security guard's responsibility and that it is a maintenance responsibility, but would talk to Shirley. A member asked what the job of security is. Kelly responded that the security job is to drive the premises 3 times a day and they do extra trips on weekends. Security has Monday and Tuesday off. Her job is not to confront anyone about any type of disturbance.

A member asked about putting warnings about illegal vehicles parked at the boat launch and warning stickers. Kelly said that is her job but she could not catch everyone. There was discussion about repairs to the Security Gates. Someone asked about reinstating the inside keypad to exit the park.

Collection Results Kelly reported winding up collection efforts. Nothing is pending in Wood County Court at this time regarding collections. In May, \$6000 was collected.

Kathy Rocusek , a member asked questions regarding mistakes in filings done in Wood County on behalf of SunEagle Bay Owners Association, for example real estate documents using the name Sun Eagle Bay Homeowners Association instead of the correct legal name SunEagle Bay Owners Association and requested that Jewel correct the situation. Kelly stated that it was a clerical error, but that she had signed the document and took responsibility for the error. \$100 - \$130 will be the cost per property to file the corrected documents.

A member said that it is only fair that the person who bought the property be provided the correct document and requested that Jewel make the corrections and file the corrected documents with Wood County and she said she would.

Committee Reports

Nomination Committee Report- Chairman Jessie Wilmoth stated that Jim Kettler, member has submitted his name in writing to run for the open board position. Jim Kettler informed the membership that he has been a member of SEB since 2006, has an accounting background, accounting software and general ledger experience.

Vickie is voluntarily resigning her position due to other responsibilities, and Kelly asked her for a written letter of resignation. Kelly said that Kelly said that Vickie's term was not up and that we really

did not even have to have an election at all. This will also help to get our staggering back in order. Two positions will be open next year and two the following year.

People who are interested in a board position, please submit a letter stating that you want to run for the position on the Board of Directors. Mail or drop it by the office, or give it to a Board member, Jessie Wilmoth, or Terri Reeder.

Fund Raiser Committee – May 21, 2011, Bobbie McCormick reminded everyone that the caps are on sale for \$16 and Jessie Wilmoth would have them available at her house and asked what side dishes people would be bringing to the Fund-raiser supper which is being held from 5-7 tonight. Donations would be accepted.

Amendment of Deed Restriction #9 Committee Report- Chairman Peggy Tracy stated that committee members Elaine Tillison, Judy Holland and others had finalized the amendment proposed for #9 of the SEB Deed Restrictions and read the proposed amendment to those attending the meeting. A copy of SRA letter will also be included. Copies of proposed amendment were sent to all Board Members and SRA. Attorney Larry Wright approved the proposed amendment and President Jewel Kelly will execute and file the proper documents for the ballot and the Canvassing and Counting Committee with Wood County prior to mailing the ballot.

Proposed amendment to #9 of SunEagle Bay Deed Restrictions:

Proposed SunEagle Bay Subdivision Restriction

Amendment to Paragraph 9

Proposed Amendment to Deed Restriction #9

9. No outside toilet or privy shall be erected or maintained on any lot hereunder. No water well shall be permitted on any lot hereunder.

A SunEagle Bay Subdivision property owner is allowed an Individual Holding Tank or other permitted **OSSF (on-site sewage facility)** on his lot, with a proper permit from Sabine River Authority (SRA), as described in the **Texas Administrative Code Title 30, Chapter 285** and subsequent chapters that describe OSSF installation, usage, waste disposal, and other associated requirements administered by TCEQ and the Sabine River Authority.

A permit must be obtained from Sabine River Authority (SRA) and a copy filed in the SunEagle Bay Owners Association office prior to construction. A copy of current maintenance contract with a current licensed maintenance waste provider must be provided to the permitting authority and SunEagle Bay Owners Association before a holding tank may be installed. Pumping records must be retained for five years as described in Texas Administrative Code.

Property owners may not share a Water Connection or OSSF (on-site sewage facility). The property owner of the Individual Holding Tank or other OSSF bears the sole liability and responsibility for any and all property served and damages to other property caused by their OSSF system and is subject to the current law, rules and regulations regarding permitting, installation, maintenance, and disposal requirements as set by Title 30, TAC Chapter 285 and subsequent chapters to include cleanup or fines or charges assessed by SRA and/or TCEQ for violations.

Individual Holding Tanks shall be installed in an area readily accessible to a pump truck under all weather conditions. If a property owner chooses not to elect to install Individual Holding Tank or other OSSF, property owner may continue to use the SunEagle Bay Subdivision Holding Tanks located in several locations within the subdivision.

Disposal of Graywater is governed by **Texas Administrative Code Title 30, Chapter 285 H.**

Any unauthorized discharges to include any below the ground leakage ie or overflow of any OSSF within SunEagle Bay Subdivision must be reported to SRA. SRA will report it to TCEQ for proper cleanup and enforcement regarding violation as described in the Texas Administrative Code.

The Texas Administrative Code is legislation adopted by the State of Texas and it is the responsibility of TCEQ and the Sabine River Authority to adhere to and administer the legislation.

President Kelly stated that changing the Deed Restrictions will not prevent the sewer system from coming in. She said it will have no impact on it one way or the other because it does not restrict against a sewer system, but that we would be allowing holding tanks. Our current Deed Restrictions do not even keep a sewer system from coming in said Kelly but it does restrict holding tanks. Kelly stated that she thinks it is a good amendment and a lot of work was put into it. This is the actual document that will be included in the ballot. Virginia Bertran made motion to adopt the proposed ballot for amending the #9 SEB Deed Restrictions to be filed at Wood County, and seconded by J Woolfolk. Kelly took a show of hands and there was majority yes vote and the motion carried. Kelly will file documents. Kelly read the SRA letter from Jerry Clark which will be included with the ballot. Tracy had put copies of SRA documents on the table before meeting explaining ponding, etc. Kelly said "One of the things we try to do and to be real careful about is that we do not try to do interpretation of their laws and try to refer to them as much as possible and I think we did a good job". Kelly continued, "we cannot just look at the Deed Restrictions and say that this is all we have to do; you are going to have to look into it a little bit more than you might want to." Kelly reported that as long as you do not put in a holding tank you can put gray water on the ground. Disposal of Graywater is governed by the Texas Administrative Code, Title 30, Chapter 285.

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.

Several members spoke, including, Paula Crowley, a member and former secretary of SEB. Crowley stated that she thought that we should continue to pursue the sewer for SEB even though some may get holding tanks and that she was thinking about the future of SEB.

Peggy Tracy asked Jewel Kelly, "what she was going to do about the Sewer Plan and Jewel Kelly stated " I do not have to answer right now because I really don't know what is going to happen. First of all, said Kelly, that is a question that will be determined by the people". There is nothing to prevent SunEagle Bay from continuing to find money in the future for a sewer through the agencies that have been set up.

There was further discussion by members about the holding tanks.

A member discussed the dog restraint issue and a reminder that dogs need to be on a leash at all times.

Kathy discussed a need to create a Committee to review and amend the Bylaws regarding powers of the Board of Directors, to include a Code of Ethics Policy and a Conflict of Interests Policy. President Kelly stated, "It is probably true we need to address some things in our bylaws and I have been here 12 years and in that time there have been people who talked about taking away power from the Board of Directors, and if that is a direction we need to go, then somebody needs to take the bull by the horns and do it". Kathy Rokusek made a motion that membership look at the possibility of amending the bylaws, so that our membership has more control over the actions/powers of the Board of Directors." Joe Woolfolk seconded it. Crews requested some discussion before the show of hands vote. Darryl Crews, member, asked Rokusek to give an example of what the Board may have done wrong and Kathy said that the proposed 2009 SEB Deed Restrictions were registered with the Wood County Clerk's office a month before we voted on them in 2009, and that they were registered as a "restriction document" which was incorrect, and then Kathy said that the previous SEB Deed Restrictions that were to be voted on in 2008 were registered correctly as "affidavits". President Kelly then took a vote for the motion. A majority of those present - 19 voted yes and members who opposed/9 voted no. The president took this vote by a show of raised hands. Motion passed to amend the Bylaws addressing powers of the Board of Directors.

President Jewel Kelly adjourned meeting.

Minutes were approved with corrections at July, 2011 meeting.

Peggy Tracy, Secretary

July 16, 2011

Minutes of Annual Meeting and Board Meeting-approved

Sun Eagle Bay Owners Association
Yantis, TX 75947
903-393-7900
Annual Meeting, July 16, 2011

Call To Order - President Jewel Kelly called meeting to order around 10:07 AM. All Board Members were present, Kelly, Hanford, Loughmiller, Crewes, and Tracy.

Announcement regarding handing in of ballots by 10:30. Kelly reminded members to pay their dues or turn in a ballot by 10:30 AM.

Kelly presented a Plaque for Recognition and Appreciation to Members of SunEagle Bay Volunteer Fire Department, who have been instrumental in saving lives in SEB. Placques and Certificates of Appreciation were presented to Board Members and Member, Erin Hanford, volunteer, for their years of service.

Vickie Crewes Treasurer report.

Beginning balance April 29 \$55,417.99

Ending balance June 30 50,266.46 (which does not include dues that have come in for this year)

To date all deposits through July 14, 2011 \$117,292.15

Annual Fiscal Year Treasurer Report – Barry Carlson, BTP Services gave annual report for the past fiscal year July 2010 through June 2011. Copies were provided of the annual report and current check register. He related overall the finances present a fairly good picture. SEB revenues are up and expenses were down from the previous year. Operating expenses \$66,900. Previous year operating expenses \$69,360. Capital Improvements \$90,000. Breakdown: \$16,500-pool, \$1,000-boat dock, \$1,000 security gate, \$71,800-road repairs, \$6,600 normal operating expenses. To date, July 1, 2011, SEB has in the bank \$117,292 in the General Fund. \$47,889 in the Road Fund.

A member asked Mr. Carlson about total payments paid to the SEB attorney, Larry Wright that he said were \$2,645. He related that legal fees for \$967 included bank and collection fees. Kelly said if there are no other questions, the annual report stand approved as read.

After the two candidates, Jim Kettler and Kathy Rokusek introduced themselves to the Members, the Counting Committees were given the ballots and SEB Member Lists provided by BTP Bookkeeping and written instructions on counting and verifying the ballots by President Jewel Kelly. Members of each committee Canvassing and Counting Committee for Deed Restriction Ballot were Elaine Tillison, Judy Holland and Tracy Osborne. Members of the Election and Road Assessment Counting Committee were Kay Vaughn, Kay Lewis and Gwen Boisvert.

Report of Board Members

Thom Hanford reported that electrical repairs needed to be made to the pool pump room breaker box. There are safety and fire issues. Bid \$2,470.

He also stated that the boat ramps needed to be extended. Bid \$3,300-Larry Roach. Work would close the ramps for about a week.

Reports of Committees

Update and Announce Fund Raisers – July 16, 2011

Terri Norwood reported that there would be doughnut, coffee today, and hot dog lunch following meeting. She reported profits of supper in March and Cap & Visor sale. Funds would be used to repair Boat Dock.

Team-Up reported that they would be having an ice cream sale today through the weekend. Funds would be used to build a concession and pavilion near the basketball court and near Ronnie Taylor's property. The concession and pavilion permit was applied for by Jewel. A Fish Tournament would be held in the fall.

Kelly and member, Mr. Boisvert applied for the permit and it was approved by SRA. SRA did come out and look at the property. SRA will not allow a water meter at this time, but will allow electricity. Permit is available for review in the office of SEB. Kelly said the concession and pavilion would be owned by SEB. There was discussion about who would pay for the electricity. Kelly said that a member had volunteered to pay the bill for the 1st year, or SEB could do it.

May Minutes were presented with corrections and approved.

March Minutes were presented with corrections and approved.

Old Business

Retaining Wall. Kelly discussed putting a concrete retaining wall up from Ronnie Taylor's doc to the first SEB fishing dock. A Committee was appointed, new member Dana Shilling, who owns a fire restoration business and has several contacts, will report at next meeting. She will talk to an engineer and form a plan and present a report.

Road Work. Kelly asked a volunteer to supervise future roadwork. There were no volunteers.

Bylaws Revision Committee. Kelly appointed Vickie Crewes to chair the committee, asked for five volunteers, and will have a report at next meeting. Rokusek, Bobby McCormick, Jessie Wilmoth volunteered.

TCEQ update. Kelly has invited TCEQ to next meeting. Donna Phillips has said she may come to the September meeting. Please submit questions before the meeting at Ms. Phillips request.

Updates to bathrooms and sinks near the boat launch and in Section II have been made to include new faucets and toilets. Hopco has been asked to meet with SRA for improvements to the dump stations, possibly aerobic systems, or at least warning lights. Members will be kept updated.

Pool Kelly reported that pool would be open 7 days a week. Work is still being done on the lights in the pool.

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. Mr. Henry Winn, member, spoke in support of sewer plant.

Announce Results of Election Kelly asked and members agreed to go ahead and adjourn the meeting. It was agreed that ballot and election certified results would also be posted this afternoon on office door and at cabana.

Adjournment Meeting was adjourned by President Kelly.

These minutes were read and approved with corrections at 9/17/11 meeting.

Peggy Tracy, Secretary, SunEagle Bay Owners Association

Sun Eagle Bay Board of Directors Meeting -unapproved
Yantis, Texas
Annual Meeting July 16, 2011

President, Jewel Kelly, called the meeting of the Board of Directors of Sun Eagle Bay to order. Officers present were Jewel Kelly, Thom Hanford, G.W. Loughmiller and Peggy Tracy. Jim Kettler was present.

Both Counting Committees submitted their certified findings to the SunEagle Bay Owners Association Board.

1. The results of the vote for Board position were certified and posted.
They were 86 votes for Jim Kettler and 42 for Kathy Rokusek.
Keeping Road Assessment were 112 Yes votes and 26 No votes. There were 138 eligible votes submitted according to the Committee. Not all voted for everything on the ballot.
Jim Kettler was elected as new Board Member
Keep Road Assessment – passed
2. The results of the vote for amending Deed Restriction # 9 were certified and posted.
There were 122 Yes votes submitted for amending #9 Deed Restrictions, and 64 No votes. There were 186 eligible votes according to the Canvassing and Counting Committee.
According to SEB Deed Restrictions, the deed restriction amendment must pass by greater than 2/3 of the voting members. The amendment of Deed Restriction # 9 did not pass.

This meeting was held in conjunction with the annual meeting on 7/16/11 and took place about 2:30 PM. Jim Kettler won the vote for the Board position vacated by Vickie Crewes. This meeting was held to determine each officer's position. The President asked Board members if they wanted to retain their positions and they said yes. Jim Kettler was asked to take the position of Treasurer and he agreed. This announcement will be made at meeting in September. Peggy Tracy will remain Secretary. G.W. agreed to retain his office of VP. Jewel Kelly-President, Thom Hanford, Director of Maintenance and Architectural Review. The meeting was adjourned by the president.

These minutes were read and approved at 9/17/11 meeting.

Peggy Tracy, Secretary, SunEagle Bay Owners Association

Minutes-approved 11/19/11
Sun Eagle Bay Owners Association
Yantis, TX 75947 903-393-7900
Regular Monthly Meeting, September 17, 2011

Meeting was called to order by President Jewel Kelly at 10 A. M. All board members were present except Loughmiller.

Minutes The minutes from July regular and Board meetings were read by secretary, Peggy Tracy. The following additions were added : Kelly asked that it be made clear that \$47,889 in the Road Fund is part of the \$117,292 in the General Fund. The concession and pavilion permit was approved by application to SRA. Member, Dana Shilling' name was added as researching bids for retaining wall. The minutes were approved with additions and will be filed and posted on the SEB website, suneaglebay.com. Rokusek moved to approve the minutes as amended, seconded by Linda Castle, and approved on November 19, 2011.

Official Certification of Election and Vote

Amending # 9 of SEB Deed Restrictions per signed document by Tracie Osborne, Elaine Tillison, Judy Holland - Canvassing & Counting Committee.

Ballots not opened based on TPC rules – 3. Article IX votes for 122 , votes against 64, but requires a greater than 2/3 of the voting members of the SunEagle Bay Owners Association to amend the deed restrictions.

Notarized Certification Document signed by Tracie Osborne. Votes For Road Assessment for 2012 Yes 112 votes and No 26 votes. Votes For Director Position on SunEagle Bay Owners Association counted and verified by committee consisting members, Gwyn Boisvert, Kay Vaughn an Kay Lewis. Jim Kettler 86 votes Kathy Rokusek 42 votes.

President Kelly asked for a motion from the Board of Directors to accept the above certified election documents and amendment vote and road fund results reports that were submitted by both the election committees. Jim Kettler made the motion to accept the reports, seconded by Thom Hanford. Kettler, Hanford, Kelly were in favor, Peggy Tracy opposed. Loughmiller was absent. Motion passed.

Introduction on New Board Member President Kelly introduced new Treasurer, Jim Kettler.

Treasurer Report Jim Kettler gave Treasurer's report with a beginning balance of \$50,266.00. He stated that he would be rounding these numbers in the future. As of Aug 31, after income and expenses, balance is \$135,450. \$59,389 of this amount represents the Road Fund. Treasurer's report was approved as read.

Member, Kathy Rokusek asked if we have a budget that is developed each year and presented to the membership for approval.

Kelly reported that we have a budget, but it not one that is presented to the membership. Rokusek discussed that it is customary for a non-profit organization to submit a budget to its members for suggestions and approval. Kelly reported that we can certainly put that budget together for the next meeting and that there is nothing in the budget that is different than it has been. It is just our normal operating expenses. The only time we have anything that is unusual is when something happens as the repairs to the pool.

Rokusek requested to be able to look at the things that are projected to be expended and have an opportunity to be able to present ideas to the Board that could be relevant to future development.

Kelly reported that that we have always had an open forum on that and discussed that at the meetings. Kelly requested Treasurer, Jim Kettler have a proposed annual budget prepared for the next meeting and requested all members who have suggestions for budget submit them.

Reports of Officers Kelly presented a copy of SunEagle Bay Owners Association Franchise Tax Certification of Account Status from the Secretary of State, original registration date 5/16/86 . This certification is good through 5/15/12.

Thom Hanford - Board Director of Maintenance President Kelly reported repairs to the pool, including lights, which still have not been repaired. A follow-up will be done. Today is last day pool will be open. She reported that now the electrical wiring project could begin. There was discussion about putting AC or exhaust fans in the bathrooms. Cost of operating AC was discussed. Kelly said that we could do the wiring but may not afford AC but can do something to improve the situation. Thom said we need to do something to improve the ventilation.

Reports of Committees Retaining Wall Committee-Dana Shilling Long-Term Project- building retaining wall at lakefront. Kelly reported that we have lost over 12 feet of shoreline in last 10 years. Member Dana Shilling who had previously volunteered to research through her professional contacts, gave a report on the 720 feet of retaining wall proposal for the lakefront of SEB. Bid included a concrete and rebar retaining wall extending from Ronnie Taylor's place to the first pier. Breakdown as follows: \$284,000.00 including backfill. SRA had suggested riff-raff as material to use instead of concrete per Kelly. We have one area that is really bad and maybe a committee will have to get together and maybe project can be done in phases. Dana with continue to research solutions. This project cannot be done without a Plan and knowing that we will be taking some risk and that we will have to be committed to it and come up with a way to pay for it per Kelly and Kelly thanked Dana for taking on this project.

Bylaws Revision Committee-Vicki Crewes. Vicki discussed the progress of the By-Law Revision Committee, whose members include Vicki, Kathy Rokusek, Jessie Wilmoth, Diana Dorough, and they would be meeting today.

Team Up Project – Pavilion project should begin in October with the assistance of Roger Boisvert and Dana Shilling. Funding is being provided for the project through donations and fund-raising. Tracy asked about increase in use of the bathrooms at the lake when holding an event at the Pavilion.

Old Business

TCEQ Update - Kelly informed the members that Donna Phillips, of TCEQ, is unable to attend our meeting and that she has not committed to doing so in the future, that it was hard to get here on a Saturday and that the fire situation was keeping her stressed out. Hopefully, in the future if she can she will come. Kelly sent Hopco another letter stating our expectations and Hopco is trying to get an answer from SRA without getting an engineering study regarding the 2 bathrooms and possibly an aerobic system. We may have to spend the money for an engineering study to get SRA to respond. We need an answer from SRA in writing.

Boat Ramp Repair - Larry Roach went back and made some repairs due to the concrete bar which slid down too far, creating a ledge and being unable to out of the lake. Additional concrete bags and rebar and long poles were placed at the site to keep boats from backing down too far. SRA told Kelly that they were not pumping water to Dallas but were to two other places. The boat ramps are roped off and officially closed after this weekend.

New Business

Mail Box Study Kelly said the post office has asked her to do something about our mail box situation, which is used by about 35-40 people, but it still impacts all of us. Member Bill Hager will head up this project. The post office have pre-approved two plans:

1. Take existing mail boxes that are out there and create a nice looking platform for them to sit on and we have enough material and volunteers and probably do it for about 2-3 hundred dollars. The same order they are in now is requested by the post office.
2. Purchase mail box stands and install. Each stand has 20 boxes at the cost of \$1700.00. We cannot charge rental on those boxes. We would need 2-3 stands. Study will include how many is needed, how to pay for them, whether the boxes should be covered, etc. and report at next meeting. There was discussion about location and eligibility of mail boxes.

Facility Repairs President Kelly reported additional repairs and metal trim that have been made at the boat ramp bathrooms. Compliments were made by several members. Larry Roach did the work.

Member Comments

Jessie Wilmoth reported concern and wanted to inform the members of a Wood County Newspaper article discussed rising costs of property owner's water/sewer bill of over \$160 charged by a private water sewer company at Holiday Villages on SH 154.

Kathy Rokusek discussed the issue that we have a document from SRA saying that we can put gray water on the ground and our deed restrictions as they state now say we cannot. President Kelly said that after talking with SRA about the letter that they are not happy about the letter but it was the suggestion of SRA to make a copy of the letter from SRA and keep it on your property, and if someone confronts you about it show them the letter from SRA since SRA is the enforcement agency. It prohibits putting gray water in the ditch, or the creek, or overflow onto neighbor's yard. Several members called SRA and this is basically their response. **The letter supercedes our deed restrictions**

"The letter supersedes our deed restrictions". (11/19/11 Regarding the underlined statement, VP, GW read a statement given to him by Jewel Kelly meant to be a correction to the minutes, which said the following: This statement is made in reference to a March 2011 letter sent to SEB from SRA regarding distribution of graywater on the ground. Kelly talked to Tom Pegues of SRA. Per Pegues' statement, SRA cannot issue a document of any kind that supercedes SEB Deed Restrictions. SRA cannot override state law. GW continued the statement given to him by Jewel, since the minutes are unclear as to who made this statement, the information is incorrect, and should be stricken from the minutes.

Point of Order

Member, Kathy Rokusek said that Vickie Crews actually made that statement that The letter supersedes our deed restrictions, and that Jewel Kelly upheld that statement by elaborating, and therefore it is clear who made the statement. If there is a correction to be made as to the validity of the statement then your statement may be included in the minutes. GW said basically this is not my statement, this is Jewel's statement and since she is not here, I am reading it. Member Rokusek made a motion to approve the minutes of 9/15/11 which were seconded and approved.

Rokusek asked to consider taking a poll of the membership to see what skills they have and President Kelly said she has had little response in the past but may include this request with an application renewal with next newsletter to refresh information we have on members. There are definitely people out here who have talent. We need a person to take on the Road Project...we need a volunteer to review and go over what needs to be done. A request was made by member and Kelly said we could put

a signup sheet for Projects, listing day of project, and tools needed and post on the suneaglebay.com website.

Lucky and Esther still have fund-raiser SunEagle Bay ball caps and visors available for purchase available here today and at Jessie Wilmoth's house. There was discussion about a pot-luck Thanksgiving dinner at next meeting in November.

Suggestions for projects can be made at the office. One suggestion was inside of bathrooms might be freshened and refurbished.

Adjournment

Meeting was adjourned by President Jewel Kelly at 11:20 A.M.

These minutes were approved with additions to page 3 on 11/19/11.

Secretary of Sun Eagle Bay Owners Association
Peggy Tracy

Minutes
Sun Eagle Bay Owners Association
Yantis, TX 75947 903-393-7900
Bimonthly Meeting, November 19, 2011, 10: 00 A.M.

Call To Order - Vice-President GW Loughmiller called meeting to order in the absence of President Jewel Kelly. Jim Kettler and Peggy Tracy were present. Thom Hanson was absent. There was a quorum present.

Minutes of 9/15/11 were read by PeggyTracy, Secretary and were approved.

Treasurer Report submitted by Jim Kettler, Treasurer.

Beginning balance Sept, 2011 \$125,450.00
Ending balance Oct 31, 2011 \$133,108.00. \$64,673 of this amount belongs to the Road Fund.
Treasurer report was approved and will be filed for audit.

Reports of Officers

January Meeting Location . GW Loughmiller asked Jim Kettler to report on the location of the next meeting. It was reported by Jim Kettler that he was trying to arrange the January meeting be held at Lands End to increase attendance and because of the cold. A Point of Order made by Kathy Rokusek, that all meetings must be held within Sun Eagle Bay according to our By-Laws. Other members agreed it was against our bylaws.

Reports of Committees

Bylaws Revision Committee - Chairperson Vickie Crews was absent. GW Loughmiller asked Kathy Rokusek to give a report and Kathy Rokusek said the committee met on Oct 8. Ms. Dorough resigned and Bobby McCormick, Jesse Wilmoth and Vickie Crews are reviewing the By-laws. Kathy Rokusek wants to put the proposed changes on the website and give all the members a chance to review them before they are sent to the membership to vote on.

Team Up Project – GW Loughmiller said Roger Boisvert had left the meeting so he did not have a report.

When asked by Peggy Tracy for an update on the Electrical Project at Pool- GW Loughmiller said it is still a work in progress. They have not started the project, but it is still in the works to get that done.

Old Business

TCEQ Update- To date, per GW Loughmiller and written statement from Jewel Kelly, we have received no response from SRA on our request to turn the Section 2 bathroom to an aerobic drip system. Sept and Oct TCEQ reports are posted on the website.

Proposed 2012 Budget - Jim Kettler had copies for members available of the proposed 2012 SEB Budget. Please have questions ready for next meeting.

Member Comments

Member Linda Castle asked if the members had a vote on the mail box project and GW Loughmiller said that the discussion will tabled and be put on the next agenda. There was discussion by members whether there were restrictions on the amount of money a Board Member could spend without membership approval.

Member Kathy Rokusek said that it will be included in the proposed amendments to the By-laws.

Member Kent Reeder requested improvements to the boat ramps and will research and get estimates for the project. GW Loughmiller and other members agreed it is a good project.

Adjournment

VP GW Loughmiller adjourned meeting at 10:42 AM

Minutes were approved with corrections at May 19, 2012 meeting in a motion made by Jim Kettler and seconded by Roger Boisvert with unanimous approval of the board.

Peggy Tracy, Secretary