

**MINUTES
WORK SHOP AND EXECUTIVE MEETING
OF THE MEADOWLAKES PROPERTY OWNERS ASSOCIATION**

Workshop November 1, 2016

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Executive Meeting November 8, 2016

Workshop:

The workshop meeting was convened at 5:33 PM on 1 November by President Joe Summers, having waited a few minutes for arrival of Board members. All members of the Board were present to establish a quorum. Those members present were Joe Summers, Amy Reeves, Joy Marcou, Len Fate, Gerry Mason, Jerrial Wafer, and Jim Woods. There were 4 residents/visitors in attendance, with all 4 signing in.

The minutes from the September workshop and monthly meetings and the October Annual Meeting were presented to the Board for review before approval of the monthly minutes in the next executive meeting. The minutes of the Annual Meeting need to be reviewed by the Board members, but the official approval will be made during the October 2017 Annual Meeting.

Joe started the discussion of business items with update of the Personal Brick program at the Military Memorial. There remains one spelling error that the manufacturer made; and they are sending a replacement brick. His intent is to have a dedicatory ceremony on November 11th and is working to arrange an honor guard.

Jim discussed the First Responders Park, noting that the solar pump for the water feature continues to be a problem, but a new panel has been added. He suggested that a dedicatory ceremony in February or March may be appropriate to give time for notification of fire, law enforcement, and EMS organizations that support our community.

Jim discussed the requirements of Texas statutes for recording certain Association policy documents with the Burnet County Clerk. Specifically, the Conflict of Interest policy, the Annual Fees Payment Plan policy, the Records Production policy, the Records Retention policy, and the Whistleblower Protection policy. All of these policies have been previously approved by former Boards; however, none of the policies were recorded as required by statute. To record the policies, the current Board needs to approve the policies such that new signatories can execute and record the policies. Copies of the prior policies were furnished to each member for review before deliberating at the next monthly meeting. Joy offered revised wording for the policy for the Annual Fees Payment Plan for consideration. Joe said the members should review each policy and be ready to discuss and vote at the next monthly meeting.

The following agenda item was the procedure the Association has for prorating annual fees and charges for replatted lots. Many property owners have complained over the years that the Association's procedure was unfair where lots have been replatted and a home has been built, but not necessarily on both of the previously platted lots. One property owner has engaged an attorney for representation against the Board. Discussion centered on three points. First, how did prior Boards prorate the annual fees for replatted lots? Second, did the CCRs specify location of construction on replatted lots? Third, do any members of the Board potentially have a conflict of interest, since they may own replatted lots? Jim and Joy both own replatted lots, so the decision was to ask the Attorney for an opinion before the next monthly meeting. Jim

presented to the Board a draft resolution for the members to consider for the next monthly meeting. The draft was discussed and amended language was suggested for the final resolution.

Next, the Board discussed the Association's policy for subordination of liens on properties with delinquent annual fees. Currently, financial institutions preparing to finance properties and homes in Meadowlakes must request the Association to subordinate any lien to the mortgagors' liens. Discussion centered on the past and future financial impacts of subordination and the impact on home buyers if the Association did not subordinate. Discussion was that no problem exists with the current policy.

Discussion turned to the current policy for signature of Association correspondence, to include financial documents. After discussion, the current policy is effective and no change is warranted at this time.

Amy summarized the program her committee has planned for the Harvest Festival on 12 November, to include demonstrations, golf, children's' activities, and an evening movie.

The last item for discussion was the recent receipt of the Storm Water Drainage report that had been commissioned by the Board. Joe assured that each member had a copy, and asked that each review the contents for future discussions on approach to determine our future actions, if any.

Joy provided an update on current year financial performance against our budget, noting both receipts and expenditures. Amy asked if the report included all funding sources for the Association or were there other accounts available. Joy stated that the general fund account and the parks improvement account are the only resources of the Association. Jim mentioned that the Association does have receivables from the City under prior loans, but these are assets of the general fund.

Amy reviewed the status of RV Storage, noting that 28 property owners are on a waiting list for covered spaces, and 25 were awaiting uncovered spaces.

Len related the personal tragedy of a family member of one of his security personnel, citing both the emotional and financial hardship the family is facing. He asked the members to donate whatever they could to help. He also mentioned that his staff currently was at 7 people.

Jerril mentioned the upcoming Harvest Festival and commended Amy and her committee for the work and planning. Also, the Association will again sponsor the Christmas lights competition, which is well received by the community. All is well with the welcome committee.

Gerry reported on the resurfacing of the intersection of Firestone and Firestone Place and the new coating of Preston Trail. Also, he reported on the placement of a new retaining wall at the entrance to Lakeside Park, and he is pursuing a new fencing product that would eliminate the wooden fencing along Dogleg.

Discussion of items for the next monthly meeting finished the topics. Joe asked for a motion to adjourn. Jim made the motion to adjourn and Joy seconded it with unanimous approval. The workshop ended at 8:10 PM.

Executive Meeting:

The Executive meeting was convened at 7:00 PM on 8 November by President Joe Summers. Six members were present to establish a quorum. Attending were Joe Summers, Amy Reeves, Jerrial Wafer, Len Fate, Joy Marcou and James Woods. Gerry Mason was absent. There were 12 residents/visitors in attendance, with 11 signing in.

Joe welcomed Amy Reeves as the new member of the Board to the Executive meeting.

Joe asked if there were any discussion on the September workshop and monthly meeting minutes or on the Annual Meeting minutes. Jerrial commented that he had not mentioned the Easter Egg Hunt during the annual meeting. Jim said that he would remove the reference from the minutes of the Annual Meeting. Joe asked for a motion to approve the minutes of the September meetings. Joy made a motion to approve the minutes, and Len seconded. The minutes were approved unanimously.

Treasurer's Report. Joy discussed the financial position of the Association two months into the fiscal year. About 90 % of fees have been collected, which is typical. Budget execution is in line with projections also. Projected cash position for the Association general fund is \$181 thousand and \$35 thousand for the park fund. She has sent out arrearage letters for fees delinquent more than 12 months to try to remind and encourage those property owners with significantly overdue arrearages.

Directors' Reports.

Amy reported that annual billing for RV storage spaces will be rendered in the next week. Also, the tears in the paved area of the storage area have been repaired.

Len reported that all is well in security, with about 4,000 cars arriving and departing daily at the security gate.

Jerrial related that the Building Committee did not meet since the last Association meeting. The next event scheduled is the Harvest Festival followed by the Christmas Lights competition. He announced that the welcoming committee had welcomed 5 new residents in October and that the committee would not have meetings in November or December.

Gerry was not present for the maintenance report.

Len asked if he could address an issue to the Association's attorney, Anne Little, who was present. Joe asked him to proceed. Len related to the audience and to Ms Little the tragic events to a member of a security guard's family, mentioning that a donation fund had been created for the family, but he was unsure how the money could be used and if the Association Board could contribute or were there possibly other options to help. Ms Little said that she would try to determine the rules for the donation fund and address the donation issue which would likely depend on the Bylaws.

Old Business.

1. Joe mentioned that the honor guard had canceled their availability for a ceremony at the military memorial for 11 November, leaving us with little opportunity for a special ceremony to dedicate the personal bricks at the park. He would continue trying to get an honor guard, but he was not hopeful, leaving the scheduling of a dedication ceremony in

doubt. Joy asked that if a ceremony is scheduled, she thought that flowers would be appropriate for the ceremony.

2. Jim mentioned that the solar pump was now up and running at the First Responders Park and performance seems to have stabilized, but solar depends on sunshine, so the pump would not be an "always" feature. He said that he is planning for a dedication ceremony of the park after the first of the year, perhaps February or March when the weather improves. This period would also give time to plan and invite members of community fire, law enforcement, and EMS organizations to participate.
3. Joe outlined the need for the Board to approve Association dedicatory instruments for recording with the County Clerk, as had been discussed in the preceding workshop. The instruments were presented as follows:
 - a. Conflict of Interest. Joe mentioned that an issue had been discussed in the workshop about potential conflicts of interest among Board members and that our Attorney, Ms Little, had provided her opinion which is attached to these minutes. Essentially, no member would have a conflict of interest in a Board decision unless the member would be the sole or a principal beneficiary of the decision. Joe asked the members for a motion to approve the conflict of interest policy before them. Len motioned for approval, and Jerrial seconded the motion. The policy was approved unanimously.
 - b. Annual Fees Payment Plan. Joe summarized that Texas law provides that the Association must have a payment plan option for property owners to pay arrearages over a period of time without additional penalties. Joy had submitted a proposed policy during the workshop, and the Association's attorney had reviewed and approved the policy. He asked if there was any further discussion, or if a member would motion for approval. Amy motioned to approve the payment plan policy as presented by Joy, and Jerrial seconded. The payment plan policy was approved unanimously.
 - c. Records Production. Joe related the state requirement to provide Association documents to property owners, and this policy provides the rules for the Association to follow in providing any requested documents. He asked if there were further discussion issues, or if a member would motion for approval. Joy made a motion to approve the records production policy, and Jerrial seconded. The records production policy was approved unanimously.
 - d. Records Retention. Joe stated that state law provides that each POA must retain certain records for specified periods of time, and the law requires each association to record its policy for retaining records. He asked if there were any issues for discussion, or would a member make a motion for approval. Amy motioned to approve the records retention policy, and Jim seconded the motion. The records retention policy was approved unanimously.
 - e. Whistleblower. Joe explained that the Board is required to have a published policy to protect employees who report potential illegal acts within the Association. This policy provides the framework for reporting any potential issue within the Association and the assurances that the Association will not adversely affect an employee for reporting potential problems. He asked if there were a need for further discussion, or if a member would motion for approval. Jerrial motioned that the Board approve the whistleblower policy, and Amy seconded. The Whistleblower policy was approved unanimously.

4. Joe summarized the discussion of the workshop concerning the proration of Association fees on lots that have been replatted and a home has been constructed on the new replatted lot. Prior Joe related that many property owners have complained for many years that the varying policies of prior and current Boards were unfair. One property owner has engaged legal counsel to contest the Association's policy. To resolve the issue, the Board proposes a new policy effective with the current assessment year. He asked the members if they had any questions concerning the proposed new policy. Hearing none, he asked for a motion of resolution on the following narrative:

Resolution. Therefore, the Board of Directors of the Association to clarify and simplify the policy related to regular and special fees assessments and voting rights on replatted lots hereby resolves that as of the assessment date of 31 August 2016 for business year 2016-2017:

"Regular and special fees assessments on any replatted lot upon which a residence has been constructed or for which a building permit has been issued shall be calculated as one lot for the combined area of the replatted lot, without proration of fractional charge(s) for any part of the combined area. Such calculation shall be based on the combined area of each lot or replatted lot as of the date of the rendering of the annual assessments. Each lot, whether original or replatted, shall have 1 vote."

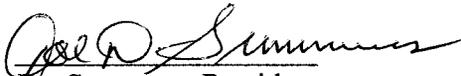
Jim motioned to approve the resolution on regular and special fees assessments on replatted lots, and Joy seconded. The resolution was approved unanimously.

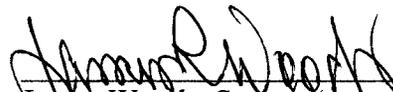
New Business.

1. None.

Joe asked if there were any other comments from the audience. A comment was made that Santa will be at the Club House on 17 December with games and photos. Also, the Board was requested to place the issue of a restroom for Dollar Park on the next month's agenda. Joe agreed.

Joe asked if any other comments. Hearing none, he asked for a motion to adjourn. Amy made the motion to adjourn, and Joy seconded the motion. The motion passed unanimously. Joe announced that the next Executive meeting would be at 7:00 PM on December 13. The meeting was adjourned at 8:50 PM.


Joe Summers, President


James Woods, Secretary

It is my opinion that voting on the assessment of replatted lots is not the type of conflict of interest contemplated by the conflict of interest policy. Although a vote on this issue might affect a director, for it to rise to the level of a conflict of interest, it has to be a benefit that would accrue only to the director or his or her business. It would have to affect the Director differently than it would affect any other member of the POA. Therefore, I agree with your view of the situation. It is interesting to note that the Texas Property Code would prohibit a POA from preventing a member to vote on the issue of assessments. I think the same argument could be made about preventing a Director to vote on the same or similar issue.

Anne B. Little

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