

Minutes
EXOTIC ISLE ANNUAL HOMEOWNERS MEETING
MEETING OF THE BOARD OF DIRECTORS

Date: Saturday, January 16, 2016
Time: 10:00pm
Location: Exotic Isle, Bay City, TX 77414

Directors Present:

Mikey Mobley – President
Wayne Hutto – Vice President
Caryn Arnim - Secretary

Board Members Present:

Board Members Absent:

Johnny Braniff
Mando Badillo

HOA Members Present:

Jack & Barbara Montgomery
Mike Zabransky
Frank Dorr
John Hughey
Ken & Diane Lindsey
Skip & Biddie Porter
Cody Zabransky
Laine Lindsey
Carl Groth

Member Proxies:

Arnim: Proxy for- G. Arnim, K. Warr, J & M Braniff
Hutto: C & B Baxter, Badillo

Members Absent with no Proxies:

Billy Devitt
Joseph Huerta
Groth Estate
Loveless

I Call to Order: at 10:34 am by Mikey Mobley

II Quorum: 10 homeowners present – 5 proxies

III Mikey Mobley welcomed homeowners.

IV Reading and Approval of the Minutes:

Carl Groth asked that he be allowed to address “Action Items” from the annual meeting held in 2014 before we address the minutes.

- Contract with Houston Bearing-it was discussed that the association did not approve the annual contract. There was discussion that it is very important to

maintain the tram system. Skip motioned to approve the annual contract with Houston Bearing, Mikey second, all approved.

- Tools & Equipment Inventory. It was discussed there really were not any tools to take inventory of. They have all disappeared.
- J. Branniff was to try to recover the monies spent on the Fiori lawsuit, had that been done? Caryn mentioned had not and at this late date, she doubts we can do anything about it.
- Bulkhead issues were to be discussed with attorney Tritter by J. Montgomery, had that been done? Jack replied no.
- Mikey was to collect pricing for road material, had that been done? Mikey said no. Mikey and the members discussed different materials that could be used. Mikey is to get pricing to the association. All agreed that this is something we will need to tackle as soon as the power plant dries up enough to get trucks through. Caryn mentioned she will pursue pricing on asphalt and recycled asphalt for comparisons. Everyone pretty much agreed crushed limestone or caliche would be a good road material. Biddie brought up the car and truck traffic had a lot to do with the demise of our road. Everyone was pretty much agreed this really did not have that much to do with the road being in bad shape. It has been years since we have done anything plus we approved the mules that really cause the gravel to be thrown into the grassy areas. It was mentioned we need to slow them down a bit.
- Mikey was suppose to check about south end erosion. A correction was made that Wayne was looking into that. Caryn explained rip rap needs permitting by GLO if we do anything like that.

A. Minutes were delivered to HOA member via email for review. No exceptions were made; Jack Montgomery moved to approve the minutes, Mike Zabransky second, all approved.

IV Treasurer's Report

A. A summary was given by Caryn Arnim that was passed out to homeowners for review.

B. Accounts Receivables as of 12/31/15 are \$7,509.59 with a current cash balance of \$6,255.99 with one delinquent account that has requested a pay out. Accounts payable \$5492.95.

C. Caryn reported that we had hired Jim Frankson, CPA. Mr. Frankson reconciled the books back to late 2013 and stopped due to all the inconsistencies. He made GL entries to adjust. Caryn noted that Mr. Frankson will be preparing our end of year taxes as well.

D. Caryn presented to the members the board's concerns for under funding. She explained that a few of the members have been fronting money to stay in business. The CPA is most concerned about this and suggested we present to the members the raising of dues; homeowners \$800, lot owners \$400. He strongly suggest that we build a reserve to protect our board members as well as the membership. He stated

in emails read that it is the membership is obligated to make sure there is enough money to operate as well as a reserve.

- Skip told the membership it is normal business to keep 10-15% in reserve and that the Texas State Legislature may soon make this mandatory for associations. Mikey expressed we really need to keep the balance up.
- Frank expressed he is trying to sell a home and it will be hard to pedal with higher maintenance fees.
- Wayne noted, nothing has been done for 30 years down here. It's everyone's fault that we are in the predicament we are in. Let's move forward and make it nicer.
- Frank noted with the bulkhead issues, houses can fall in the river. Wayne expressed no one has done anything about that for 2 years and it has been noted over and over again. Frank thinks prospective buyers prefer lower fees.
- Everyone discussed the bulkheads are a never ending circle that we never really seem to complete. The bulkheads are what scare buyers off.
- Biddie interjected that if we have lower maintenance fees it is misleading a buyer on what it really costs to live down here. She thinks this has presented problems in the past. People think one thing and find out it very expensive to live down here. The island looks like "hell" and the bulkheads scare people away.
- Caryn made note that we need to find a way to make homeowners responsible for their bulkheads. We need to change the deed restrictions. We asked J. Hughey if we can make new owners responsible, he said expo facto comes into play. Jack explained if bulkhead failure is an act of God, homeowner is not responsible. Wayne asked if the bulkhead failure affected his bulkhead there should be some avenue to pursue, Jack reiterated, it's an act of God.
- Caryn tried to get the members back on track by mentioning let's get back to the dues.
- Skip stated that Texas has no requirements as of yet to build a reserve, but many other states do. He believes soon Texas will have this requirement. He made the appeal we need to face reality, be honest and put into our budget. Frank agreed.
- Frank had questions about fuel costs should be down. Caryn said they are. We are no longer filling the big tanks we have no control over, we are filling 5 gallon cans to run barge and tractor.
- Mikey motioned to assess the \$15,000.00 for reserve.
- Barbara-can we keep dues the same and pay quarterly?
- Biddie thinks we are moving in the right direction. Ken & Caryn have stepped up to the plate and presented us with the deficit.
- Frank would like to see more before we raise dues.
- Biddie proposed we table dues and assessment and move on

V Maintenance

A. Tram -

- Jack would like discussion about stricter rules. No workers are allowed ride without a homeowner. Would like to see homeowners accompany guests. Jack also mentioned "back in the day" workers had to catch the barge across at 8am, noon, 1pm and 5pm, we need to get back to this.

- Workers staying at the homes are abusing privileges. They take over pool area and fishing spots on island and homeowners cannot enjoy amenities. If accompanied by a homeowner-that is ok.
- Wayne suggested guest that are trained should be able to use the tram. All agreed that is ok if trained, but no workers are allowed to use the tram.
- Mike Z reminded everyone had to be trained and sign a sheet stating such.
- Much was discussed about laws and liabilities. Caryn reminded everyone that all the waivers in the world cannot prevent someone from suing the association. They are a good stop gap for making homeowners aware of their responsibilities with guest and workers. Laine Lindsey agreed.
- Caryn made a motion to allow persons trained to ride the tram and exclude work crews-they will need to use the barge for access, Biddie adding have them sign waivers.
- Wayne does not agree about the key on the gate. Motion made to lock the gate by Barbara and Biddie second. This motion includes workers are not allowed and homeowners can loose tram privileges. Note: 4 voted no - Caryn, Wayne, John & Mikey. With proxies, this did not pass.

B. Barge

- No one take the barge without tying up! It is an asset for the island and we need to take care of it.

C. Pool

- Good

D. Lawn Maintenance

- Discussions about sending out for bids. Mikey will check on another quote and we will get another quote from Scott & Co.
- Selkirk is included in current contract. Carl wants north end kept up. It has been, too wet to get back there, we are waiting for it to dry out. Wayne explained caretaker will take care of the north end and the areas and on Selkirk that is on Sean's Williams property.
- Skip is concerned about standing water. It's due to the silting in. We need to get it to drain, will do when we can get equipment in there.

E

- Barge slip areas-possibly need filling in, due to never-ending silt. Sean can install posts out in water to pull barge into and we can extend loading areas out to posts. Wayne has hired John Rawlings to blow slips out and south end out monthly for \$400. He explained we would save money in the long run because we have already paid \$3400 to him for the last few river rises. Supposedly John can repair bulkheads too.
- Carl wants quotes for different ideas. Caryn moved to approve \$400 per month for John Rawlings, Mikey second, all approved.

F. Bulkheads

- Much discussion, as always, about fixing bulkheads. The fact, we cannot force anyone to make repairs and many repairs depend on up river repairs. Texas laws are very complicated in this area, Laine Lindsey explained. We are going to look at other property deed restrictions for areas that have bulkheads and see if we can enforce something in new deed restrictions.
- Discussion about Mando's bulkhead. There was an agreement to repair bulkhead if sold to him, and there was a timeframe.

VI New Business

A. Deed Restrictions

- Rewriting the deed restrictions & bylaws motion by Jack and Mikey second, all approved. Caryn will get things rolling.
- Architectural Committee will be comprised of board members if no one is serving on committee-Board will enforce. Caryn made motion, Barbara second, all approved.

B. Invoicing

- Late invoices-get with CPA and impose late fees and percentage. Jack approves of late fees. Caryn to send coupons out for Montgomerys & Porters

C. Barbara brought up family members should be able to serve on the board. Barbara made the motion, Mikey second, all approved. The new motion will include heirs only, not just any family member.

E. Road Material

- Pricing and materials will be gathered and brought to members for a vote. This will be an assessment.

F. Dues & Assessments

- Carl is concerned lot owners paying same as homeowners. Much discussion that lots were sold and need to be built on, not sat on. Homeowners are paying for lot owners to have amenities that help to sell their lots. Carl expressed can't sell anything right now. All agreed, but that is not the fault of the homeowners. You take a gamble when you buy anywhere. Jack went into the reasoning behind offering up lots to the homeowners, just as they were offered up to the lot owners. It was to cut the cost of property tax for the island.
- Caryn offered up that she misunderstood the last annual meeting and sincerely thought that the assessments for lot and homeowners were the same amount due to a vote. If we refund the 1/2 to lot owners we will need to wait for the assessment to be paid. We currently do not have the money.
- Mike Z offered up that lot owners paid 10% in the past. Caryn mentioned this is not true because she checked while in meeting.

- There was some discussion about dues, assessments and a misunderstanding. Lot owners should only have to pay half. There are still areas open for discussion because not everyone agrees with lot owners paying half- they benefit just as homeowners and have the right to use all amenities.

G. Caretaker

- The Arnims experienced a break-in by current caretaker, Bruce and Wayne has suspicions about drugs. He is not longer employed. Vernon will be filling it as a part time caretaker. We need to try to get a couple to live on other side. We had a couple we think might work, but need to interview. We will make sure drug and background checks done.

It was discussed the island need to move forward not backward. Working together can accomplish this.

Add Carl Groth to ballot.

VII Adjournment:

There being no further business to come before the meeting, the meeting was adjourned 2:15pm

Respectfully submitted,

Caryn Anim

Caryn Arnim, Recording Secretary