

Twin Harbors Property Owners Association, Inc.
Annual Meeting Minutes
October 17, 2009

Directors Present: Cliff Budd, Jim Mason, Jim Wilder, David Heathcock, Greg Yost, Robert Zbranek and Fred Alderman

Others Present: Approximately 60 property owners attended with 112 proxy votes.

Jim Mason called the meeting to order at 10:00 a.m. He introduced all the Board members and the Office Manager. Three tellers volunteered to count the votes. They were Maryellen Yost, Patty Smith and Cindy Blair. The minutes of last year's Annual Meeting were passed out, and reviewed. A motion to accept last year's minutes was made. It was seconded and then approved by the attendees. Jim Mason emphasized to everybody that the Board members are voluntary positions and all are trying to do the best for the whole subdivision.

Financial Reports:

The 2009-2010 Budget was passed out. Cliff Budd estimated that our revenue should be \$86,350 in the coming year. Our expenses were estimated at \$82,552.50 which would leave a surplus of \$3,797.50. Currently, the Association has approximately \$66,000 in its account at the bank. Cliff said that the main questions always asked at the Annual Meeting are: 1) How much will be spent on the roads and 2) How much are we going to spend on legal fees. The Board will have approximately \$65,000 for roads in the coming year. Last year, the Board spent \$17,000 on legal fees and we estimate \$6,000 for the coming year. An explanation of the legal fees will be done later in the meeting. A question was asked about the \$5,800 in Other Income on the budget. That came for the sale of some lots, some donations, and the insurance reimbursement from Hurricane Ike. Harvey Zidell recommended that we change the format of the new budget for next year to include the Special Assessment as income and make the budget easier to read. Cliff stated that currently \$71,000 is owed to the POA on past dues and the Board is working on collecting some of that money. Last year, the Board collected about \$30,000 in past due fees. Some of the past dues are uncollectable as property owners have died and their heirs refuse to pay taxes as well as our fees. So, the only alternative we have is to wait until it goes to the Sheriff's sale which now takes about 8 to 10 years. It would cost the association more in legal fees to go after every late property owner who is late. Last year, the Board did take two property owners to the District Court for 14 properties they owned and the legal fees were approximately \$600 per lot.

Facilities/Architecture Report:

- David Heathcock reported that the Board is going to remodel the bathrooms at the clubhouse.
- David reported that the subdivision had three additions or remodeling done on existing homes and that approximately 4-5 new homes were to be built next year.
- Greg Yost has worked on revising the Twin Harbors Facilities Committee Policies, Procedures and Guidelines. The old 7-year plan was based on help from the County Commissioner.
- Greg emphasized that the Board has changed the Building Permit to have the person requesting the permit to sign that he or she will pay for any road damage.
- Jim Mason stated that we can no longer depend on the county to help us with the roads as the roads in our subdivision are owned by the subdivision. The County Commissioner is not allowed by law to assist in the maintenance and repair of private roads.
- Jim Mason mentioned that a property owner on Lakefront Drive was invoiced for road damage when a few loads of soil were dumped on his property.

- Jim Mason explained the situation on Sunset Drive whereby the developer never used the proper base material and the roads were substandard when the new four homes were built. Jim Mason explained how we are fixing the roads now by digging down about 8 inches and putting a stabilizer in the area, then chip and seal and later on a layer of asphalt.
- A property owner requested more details on the roads in the Winds.
- Pat Casey said that previous Boards have worked on specifications for the roads and he stated that it is a waste of money to patch up roads the way the current Board is doing it. Jim Mason explained that what the Board has done is to patch up the roads to make them drivable realizing that this only a temporary fix. Pat Casey criticized the Board for the way it was handling the road situation.
- Cliff Budd stated that a rough estimate to fix all the roads in the subdivision to county specifications would cost a million dollars and we just don't have that much money. On the average, over the last 5 years, since the special assessment has been passed, the Board has spent \$40 to \$60 thousand per year on the roads.
- Robert Zbranek said that the old sign on Twin Harbors Drive was collapsing and a new sign has just been installed.

Old Business:

- Jim Mason said that he and all the Board members are open to suggestions from improving our website to improving anything in the subdivision and please submit that in writing via letters or emails.
- Cliff Budd explained that for small amounts of money and for Deed violations, the Board is now going to go to the Small Claims Court where the fees are considerably less. One property owner who refused to clean up its property was taken to the Small Claims Court and the Judge gave the owner 30 days to clean it up or pay a \$200 per day fine. On the 29th day, men were out there cleaning up the home site. Cliff explained that we cannot foreclose on a property in the Small Claims Court, but we can get a judgment on that property and any other property owned by that individual in other counties for a period of 10 years.
- Jim Mason discussed changing the Deed Restrictions and the difficulty of doing it. What is needed is a 51% vote by property owners, not lot owners. That is, no matter how many lots you own, you only get one vote. There are roughly 400 property owners, so we would need 201 of them to vote for changing the Deed Restrictions. He said the new Board will look into making an effort to changing the Deed Restrictions.
- The trailer parking area was discussed and all agreed that we need to look at better marking the spaces and keeping track of all the trailers. Currently, there are some trailers parked there that never got permission from the Office Manager. Jim Mason mentioned that we are currently getting bids to turn the unused tennis courts into a secure parking lot for trailers.

New Business:

- Jim Mason said that there is a current lawsuit over the special assessment and the Reserves. He also said that there is a book in the clubhouse with all the details and anybody is free to look it over, but it has to stay in the clubhouse. Rene Daussin asked if the book contained the other side's opinion (or their countersuits) and Jim Mason said that we just received the book and haven't had time to look into it, but Rene can read it after the meeting. In answer to Rene Daussin's accusations, Cliff Budd said as Secretary he has a box of legal papers concerning the lawsuit and any property owner can have access to this data and we have nothing to hide. Just ask him to view the data in the clubhouse with the Office Manager and/or a Board member present. Jim Mason mentioned that nobody on the Board wanted to spend the money on attorney fees, but the Board was forced into it when the other parties brought their lawyer into it. Jim Mason also mentioned that we sent letters to the individuals offering to compromise in the past and none of them showed up. Jim Mason stated

that he is going to arbitration meeting on the lawsuit next Wednesday in Lufkin, Texas and hopefully, the issues can be resolved there.

- Jim Mason said that two of the Board members are attending a monthly POA meeting in Livingston which includes over 50 POA in Polk County. That major problem discussed at most of these meetings is that all subdivisions in Polk County face the same problem, not having enough money to repair their roads. Some subdivisions collect \$30 per year per lot and they don't have the money to upkeep their roads.

Special Assessment:

A general discussion was held on the Special Assessment. It was pointed out that the money can only be used for the roads and nothing else. A discussion was held on the roads and how their maintenance and repairs affects everybody and the quality of this subdivision. Fred Alderman stated that he cannot see why anybody would not pay the special assessment since he is in real estate and the quality of roads in any subdivision in this county really matters when it comes to new property owners looking to purchase lots and/or houses. One property owner said that maybe we should raise the fee, but it was brought out that many owners in this subdivision are retired and live off fixed incomes, so there has to be a middle ground reached. Tony Jackson made a motion; it was seconded to keep the amount at \$50 per lot per year for the Special Assessment whereby the money can only be used for road maintenance. A vote was held on the Special Assessment and it passed unanimously.

Open Forum:

Discussions were held on the following:

- One property owner wanted to know how many lots were unsold in the subdivision. Cliff Budd explained the situation some years ago whereby the developer donated 55 lots to the POA. Of these 55 lots, approximately 35 were gullies, ravines, etc. which were not suited for homes. To stop paying taxes on these lots and not collecting maintenance and special assessment fees on these lots, they were sold to the highest bidder. Most lots went for \$10 per lot, but now the association isn't paying taxes and was collecting fees. Since then, the new Board has adopted a policy to take back a lot that is owed past due fees and forgive the property owner for past dues provided the property owner pays his taxes and other fees, like past due sewer fees. We have taken back approximately 15 lots and auctioned off most of them. The next Winds will list the lots to be auctioned off in the future.
- Adding lights on the new sign was discussed and Robert Zbranek said he is working on it.
- There was criticism from various property owners that the Board did not present a plan for the roads for next year at this Annual Meeting.
- Numerous property owners wanted the grass cut more often and Robert Zbranek said he working on a new schedule with our maintenance man on that.
- Judy Jackson recommended that a new Directory of property owners be published. Jim Mason said the new Board would discuss it at the next month's meeting. Cliff said that he would work on a form to be filled out to be mailed with the special assessment invoices and it would be voluntary if you wanted your name in the Directory.
- Don Harvey asked for volunteers to help him put up the Christmas decorations this year.
- Judy Jackson wanted to revitalize the Newcomers Committee and asked for volunteers.
- Anita Uptegraph wanted to know if anybody was interested in having a winter exercise program at the clubhouse similar to the Aqua Nuts program in the summertime. See the Office Manager or her if you are interested.
- Cliff Budd showed the attendees a new sign just installed which clearly states to "Call 911" for any problems at the pool. We have cleared this with the Sheriff's Department and the Chief of Police in Onalaska. Do not take it upon yourselves to solve any problems.

- Harvey Zidell wanted to know how much was already spent on the lawsuit and Jim Mason told him it was in the budget. He proposed that the money spent on the lawsuit would have been better spent on the roads and to make the special assessment a voluntary fee.
- Pat Casey criticized that some property owners were getting permits for garages, but in reality, they were glorified storage sheds.
- Pat Casey criticized the Board for not having an estimate to fix the roads and not having a plan.
- Jim Mason emphasized again to please submit ideas, plans, etc. in writing to improve our subdivision. Please give the Board some positive input on what we can do. It can be done by letter, note or even via our website or email address.
- Amy Casey said that there used to be a lot more committees and requested that the future Board look into forming more committees to do special work.

New Directors:

The following were nominated for the new Board: Cliff Budd, Robert Zbranek, B. Milton "Chip" Choate, Jim Mason, and Cindy Blair. A motion was made to close the nomination. It was seconded and ballots were handed out. It was announced after the counting that Cliff Budd, Robert Zbranek, Jim Mason and Cindy Blair were elected to the Board. (A subsequent count the next week revealed that there was an error in the counting and that B. Milton "Chip" Choate had more votes than Cindy Blair. The Board discussed having the voting earlier in the meeting next year as often at the end of the meeting, when the votes are being counted, everybody is in a hurry to go home, go watch a football game, or just go home to get the food for the pot luck lunch. Also, at the pot luck lunch, not many property owners showed up so there was some discussion on having it next year. This will be discussed in the next Winds).

The meeting was adjourned at 12:10 p.m.

Respectfully submitted,

Clifford H. Budd
Secretary