

**MINUTES OF THE REGULAR MEETING
LAGO VISTA PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS**

August 9, 2007

Recitation of Authority

The meeting of the Board of Directors of the Lago Vista Property Owners' Association was held at the K-Oaks Clubhouse, 7000 Bar-K Ranch Road on Thursday, August 9, 2007 at 7:30 pm. Directors present were President David Freeman, Vice-President Ginger Halsted, Treasurer/Secretary Richard Gibson and Directors Bill Brumley and Kurt Tessnow. Also present was General Manager Terry Martin. The Directors present are authorized Directors constituting a quorum for transacting business.

CALL TO ORDER

The meeting was called to order at 7:30 p.m. by President David Freeman. We had approximately 30 members in attendance.

Member Comments

Prior to member comments, President Freeman noted that the recent letter to the North Lake Travis Log was written by a member that was *not* at the last POA meeting, got his information 2nd or 3rd hand, and promised to write a retraction (which he did not). Mr. Freeman asked the members to read the rebuttal letter to the Log written by Director Kurt Tessnow for factual information.

Member, George Pond, of Camille Court reiterated the comments he made at last month's meeting with a couple of minor changes. He said that a number of members have let him know that the POA "is not for sale". He asked that the Board of Directors stall the vote until they can receive additional input from members at large; to consider the existing lots within the ETJ that are yet to be filled; as well as the fact that allowing new developers to use POA properties is a low cost solution for them with no incentive to provide facilities for their own neighborhoods.

Member, Jim Moss, stated that the proposed amendment relating to Social Club Members is not consistent with the concept of shared membership. He felt that annual POA dues should cover incidental use by clubs and associated overhead expenses, and is concerned that charging a fee may cause members to abandon clubs. Mr. Moss also took issue with a couple of items in Section 9 & 10 being illogical or inconsistently written.

With no additional members waiting to speak, President Freeman closed the comments portion of meeting.

ITEMS TO DISCUSS

Approve Minutes (Gibson)

The minutes to the July 2007 Regular Meeting were presented.

Motion to approve was made by Vice-President Ginger Halsted and seconded by Director Kurt Tessnow. All in favor; minutes were approved as presented.

Treasurer's Report (Gibson)

Treasurer Richard Gibson presented the July 2007 financials.

Motion to approve was made by Director Bill Brumley, seconded by President Dave Freeman. All in favor; financials were approved as presented.

LVPOA Director Candidates

Director Bill Brumley announced the following four candidates for the BOD positions which will be open in November: Eddie Epley, Gary Gates, Dave Shafford, and Don Zschoche. The candidates were in attendance and Mr. Brumley asked them to stand and be recognized as their names were announced.

General Managers Report (Martin)

- a. **Early/Priority Signup:** Mr. Martin reviewed sign-up dates for each category of club and member. He indicated that previous feedback from members caused the Board to re-think the sign-up priority for existing clubs. Also, in response to Mr. Moss' concerns, Mr. Martin stated that the Social Club members will be provided with a process; the Board will vote on the Social Club Member definition to eliminate questions, and beginning January 1st, he may attend meetings as requested to assist clubs in sign-up. For convenience, parties will also be able to sign up in the K-Oaks facility.
- b. **Bar-K Restoration:** Mr. Martin stated that the Bar-K facility will be repaired and restored with funds from insurance claim.
- c. **Campground:** Mr. Martin advised that the campground infrastructure needed to be changed in order to protect campers but has just been re-opened for primitive camping only.
- d. **Web Site:** Progress on the web site has been slow. There is a professional developer currently preparing a package for POA review.
- e. **Parks:** Approximately \$30K has been spent on parks and grounds restoration and improvement. Of special note is that the road in Bar-K was re-done in crushed granite by one of our talented POA personnel, James Cantwell, at a cost savings to members. Also, the Bar-K card reader was lost in the flood but the park would be re-opened this weekend with a ranger stationed there for access.

ITEMS TO BE VOTED ON (Freeman)

Prior to beginning the voting process, Mr. Freeman provided an overview of POA properties. He projected a map of “old Lago Vista” which also showed the city boundaries gradually expanding. He stated that the original World of Resorts in 1980 started with 12,000 lots, but the POA properties are now down to 11,200 due to re-plats/consolidation. For clarification, he indicated that the new development (Vista Villas) being discussed tonight is a “white pocket” inside the boundaries of originally platted area. Also noted was the fact that the Associate Membership designation will be dropped at the end of October.

- a. **Bylaw Changes:** See attached definition. Copies of the Bylaws were provided to members in attendance. Motion to approve was made by Vice President Ginger Halsted and seconded by Treasurer/Secretary Richard Gibson. All in favor. Motion carried.
- b. **Guest Policy:** See attached definition. Director Brumley questioned how to enforce the new policy. Mr. Martin responded that enforcement would be done via roster and sign-in sheets. No further discussion. Motion to approve made by Treasurer/Secretary Richard Gibson and seconded by Director Kurt Tessnow. Director Bill Brumley abstained. Motion carried 4-1 in favor.
- c. **Associate Member Application Approval:** See attached request from John and Karen Perkins of The Island, unit 3314. Motion to approve made by Director Kurt Tessnow and seconded by Treasurer/Secretary Richard Gibson. All in favor. Motion carried.
- d. **Transfer Fee Increase:** Mr. Martin outlined the proposed transfer fee increase from \$25 to \$300 based on typical charges within the Austin area. The new fee will be implemented January 1st, 2008. Motion to approve made by Director Bill Brumley and seconded by Treasurer/Secretary Richard Gibson. All in favor. Motion carried.
- e. **K-Oaks Loan Pay Down:** Director Kurt Tessnow moved to pay \$100K toward \$268K existing loan principal, Director Bill Brumley seconded. All in favor. Motion carried.
- f. **Membership Buy-In Amount:** See attached definition. Fee per unit has been upwardly adjusted from \$1646 for year 2007 and \$1771 for year 2008 to a standard \$2000 for each year. Board of Directors continues to have discretion to adjust fee in subsequent years as needed. Ms. Halsted noted that any members requesting buy-in will be allowed with Board approval only, and each case will be reviewed on an individual basis. Motion to approve made by Director Bill Brumley and seconded by Director Kurt Tessnow. Treasurer/Secretary Richard Gibson voted against. 4 – Yes, 1 - No. Motion carried.
- g. **Vista Villa Membership Request:** See attached letter from Richard Funk which was read aloud to the members by Mr. Freeman. Mr. Freeman noted that the property in question consists of 12 acres completely surrounded by POA plats. Mr. Gibson addressed the Board and the members, stating that he has had difficulty with the issue at hand, but makes new discoveries every day regarding who is in/out of the ETJ. This has led to him having a better understanding and changing his mind on the issue.

Motion to approve made by Director Kurt Tessnow and seconded by Vice President Ginger Halsted. All in favor. Motion carried.

- h. **Annual Assessment Increase:** See attached definition. Director Bill Brumley opposed increase as unjustified and offered alternatives such as a two-tiered increase with one fee for residents and one for non-residents; a one-time assessment for recent land acquisition; to stay at \$100 per year; or a combination of options. Mr. Brumley proposed that the amendment read "Retain current annual assessment of \$100 per year and apply a special assessment of \$25 for year 2008 only". Mr. Gibson stated that his support of the increase is based on several items including the POA having a financial windfall last year which cannot be expected to continue, the Bar-K facility needs significant updating, and gates are needed for multiple parks. Mr. Freeman called for a vote, the motion to approve amendment as is was made by Vice President Ginger Halsted and seconded by Treasurer/Secretary Richard Gibson. Director Kurt Tessnow abstained. Director Bill Brumley voted against. 3 – Yes, 1 – No, 1 – Abstain. Motion carried.

At Director Brumley's request the following is submitted to be included in the minutes:

ANNUAL ASSESSMENT INCREASE
AN INCREASE OF \$25.00
FROM \$100.00 to \$125.00

JUSTIFICATION:

- THE BOD HAS NOT JUSTIFIED AN INCREASE.
- THE EXECUTIVES HAVE STATED WE NEED THE INCREASE BUT HAVE NOT STATED WHERE AND HOW MUCH.
- A ROUGH FIGURE OF \$275,000.00 WAS MENTIONED. BUT THAT WAS OFF THE TOP OF THE GM'S HEAD.

ASSESSMENT INCREASE OPTIONS

- NO BOD DISCUSSION WAS HELD ON VARIOUS OPTIONS ON HOW TO RAISE THE FUNDS WAS EVER HELD.
- THE PRESIDENT TALKED TO THE MEMBERS ABOUT AN INCREASE BEFORE HE "TOLD" THE BOARD.
- HIGHLY UNUSUAL IN MY OPINION.

OPTIONS AVAILABLE

- ACROSS THE BOARD INCREASE (ONE PROPOSED)
- TWO TIER INCREASE. RESIDENTS & NONRESIDENTS.
- KEEP ASSESSMENT AS IS.
- SPECIAL ASSESSMENT FOR LAND ACQUISITION (EMERALD RAMP LOT PURCHASES).
- COMBINE TWO OPTIONS:
- KEEP ASSESSMENT AS IS AND ACCESS A SPECIAL ASSESSMENT

OPTION ONE

- RAISE THE ASSESSMENT ACROSS THE BOARD WILL MEAN FROM NOW ON.
- WILL NOT BE REQUIRED NEXT YEAR OR IN THE OUT YEARS.

OPTION TWO

- BOARD MEMBER OPPOSED BECAUSE IN MY MIND SPECIAL INTEREST GROUP AFFILICATIONS.
- BOARD MEMBER PROMISED IN LAST ELECTION ALL MEMBERS TO PAY SAME FEE.

OPTION THREE

- ASSESSMENT REMAIN UNCHANGED
- SOME BOD MEMBERS FEEL A NEED FOR INCREASE WHETHER JUSTIFIED OR NOT.
- MANAGEABLE

OPTION FOUR

- SPECIAL ASSESSMENT
- FOR ONE TIME ONLY CHARGE ALL MEMBERS \$25.00 IN 2008 TO COVER COST OF LAND ACQUISTION AND CAPEX FOR LAND IMPROVEMENT.

DISCUSSION

- DEBT REDUCTION ON THE K-OAKS WHICH HAS BEEN APPROVED TONIGHT BRINGS THAT DEBT BALANCE TO \$168,036.00.
- FUNDS WILL BE AVAILABLE IN 2008 TO PAY THE LOAN IN ITS ENTIRETY.
- WITH K-OAKS DEBT PAID. O/A \$180,000.00 A YEAR WILL BE FREED UP FROM YEAR 2009 AND BEYOND.

RECOMMENDATION

- COMBINE OPTIONS THREE AND FOUR.
- KEEP CURRENT ANNUAL ASSESSMENT AT \$100.00
- HAVE A ONE TIME "SPECIAL ASSESSMENT" OF \$25.00 FOR ALL MEMBERS FOR LAND ACQUISTION AND PROPERTY IMPROVEMENT.
- HOW MANY MEMBERS IN THE AUDIENCE WILL BELIEVE THE LVPOA WILL LOWER A \$125.00 ONCE IMPOSED. I DON'T.

AMENDMENT

- I PROPOSE AMENDING THE PROPOSAL BEFORE THE BOD ON ASSESSMENT INCREASE TO READ:
- "RETAIN THE CURRENT ANNUAL ASSESSMENT OF \$100.00 A YEAR FOR THE TIME BEING AND APPLY A SPECIAL ASSESSMENT OF \$25.00 FOR ALL MEMBERS FOR THE YEAR 2008 ONLY."

ANNOUNCEMENTS

The next meeting will be Thursday, September 13, 2007 in the Bluebonnet Room, at 7:30 P.M.

ADJOURNMENT

The motion to adjourn was made by Vice-President Ginger Halsted and seconded by Director Kurt Tessnow. All in favor and the meeting was adjourned.

Richard Gibson, Secretary
Lago Vista Property Owners' Association