

Sandy Harbor Association, Inc.  
Board of Directors  
Property Owners Meeting February 21, 2015

Soc made an opening statement: See the attached statement

The Property Owners meeting began approximately 10:30 a.m. on February 21, 2015. Board members attending the meeting were: Keith Woody, Ed Duckworth, Soc Gonzalez, Linda Yarbrough, Karla Melde, Alta Killgore, Perry Farley, Linda Crosby; George Moers participated via telephone. Micah Ditmore was absent. Keith Woody led the meeting as Vice President due to the resignation of Ryan Schnitzler from the Board. There were 22 property owners attending the meeting, including Board members.

Keith Woody thanked Ryan Schnitzler for his service on the Board of Directors; he did a lot of work and it's been a demanding role.

Karla Melde read the minutes from the November 8, 2014 meeting. The minutes were accepted as read.

Linda Yarbrough read the treasurer's report. The report was accepted as read.

A property owner asked about the status of payment to the lawyer hired (Cagle). Linda Yarbrough stated we have paid all he is owed. The legal fees approved by the Board were \$4,000; the amount spent was \$5,395.50. The questions and answers we have are very difficult to follow. The use of legal terminology is subject to much interpretation.

Linda Yarbrough stated that as Treasurer, she has failed to file taxes on behalf of the POA. She has lost much sleep worrying about this shortfall. Linda contacted several CPAs and recommended Steve Tilson, from Spicewood. He prepares tax returns for Pine Forrest, a large POA in Bastrop. He charges \$250 per return and recommends that we file for the past four years (2011-2014). IRS will then let us know where we stand with them. We should not owe any taxes; only interest income is taxable. Franchise taxes are also needed. Tilson charges \$125 per year for Franchise tax filing. The other CPAs recommended we file four years also. Linda expressed confidence in the discussions she had with Tilson. Linda Crosby made a motion to hire Steve Tilson to handle the four years of filings and expenses not to exceed \$1,500.00. Perry Farley seconded. All voted in favor of the motion. CPA HIRED.

Linda Yarbrough stated that the treasurer's report for the POA has never been audited. We are a nonprofit and it is good practice to have an audit. Susan, retired CPA (does not maintain CPA license), recommended this be done annually. Linda Y stated that she felt the records are in good order and that two signatures are required on each check written on the POA bank account. We are careful to keep good records and spend appropriately. Linda Y asked for volunteers to audit 3 to 4 years of the records. There was discussion about whether we should hire someone to do an audit. The audit is not really an official CPA audit. It is an informal review to ensure expenses match the bank records and receipts. The following property owners volunteered to conduct the review and report back to the Board at the next meeting (April 11, 2015): Cheryl Dominguez, Mary Ann Ayers, Ed Duckworth, with assistance from Susan, as needed. **INFORMAL AUDIT OF TREASURERS' RECORDS**

Road Safety Signage: Soc discussed the inadequate signage in the neighborhood; most signs need to be replaced; some yield signs will be added and the speed limit options given to us by authorities need to be decided by the community – the speed option ranges from 15 to 25 mph. The speed limit change must be submitted to the Llano County Commissioners Court for approval. Current placement of the speed limit sign will be moved to the area recommended by authorities. Individuals need to slow down because of the many skateboards, golf carts, walkers and wheelchairs using our streets. An informal vote of the attending property owners decided that the speed limit should be changed to 25 mph. Linda Yarbrough made a motion to change the speed limit to 25 mph, Soc seconded. SPEED LIMIT CHANGED TO 25 MPH. Soc stated the signage will be ordered next week; it may take Llano County another month to approve the request due to the need to post notice of the agenda item. We will pay the materials, Llano County will install free of charge. (Great job Soc!)

Amendment Procedure: Linda Yarbrough, Linda Crosby and Karla Melde met with a new attorney (Chuck Lacallade) to discuss the possible need to ask the Sandy Harbor Community to vote on a new Amendment Procedure. Cagle, the previous attorney, had recommended that a new vote was needed because the 2006 vote should have been done by Section. Sandy Harbor has grown over the years and three new sections were added over time; each section had similar, but separate Restrictions.

Karla Melde stated that both lawyers, Cagle and Lacallade, agreed that the 2006 Amendment Procedures and the 2007 Restrictions filed in Llano County on behalf of Sandy Harbor Inc. are valid. The documents are enforceable and valid until they are challenged by lawsuit and a judge has ruled them invalid. However, both lawyers recommended the community revote using Chapter 211 of the Texas Property Code to prevent the possibility of a challenge; with the added note from Lacallade that changes in the laws since 2007 require revision of our Restrictions regardless.

Karla Melde stated that the Board of Directors will no longer meet without notice of the meetings and agenda being sent to property owners. We will conduct our meetings as a Property Owners Association. The agendas and meeting dates will also be posted on the website. [www.SandyHarbor.org](http://www.SandyHarbor.org) Soc offered to get quotes for a sign to be posted at the entrance of the subdivision, similar to the sign used by the VFD.

Several Board members have suggested minor revisions to the current Amendment Procedures. Both the 2006 Amendment Procedures (current procedure) and the proposed Amendment Procedure were distributed to attending property owners.

George Green asked about the definition of vote as described in both Amendment Procedures. George stated he thought the definition should be "one vote per lot owned". Karla Melde read the minutes from the November 8, 2014 meeting where 37 or 45 property owners attending that meeting voted to leave the definition of vote as described in the current Amendment Procedures; the community has decided this issue.

George Moers reminded the Board that the community will vote by Section; if you own property in four sections, you will get one vote in each section. John Robson asked if you own two lots in the same section and one lot is in your name and the other lot is in your wife's name, will you each get a vote? Will you and your wife each get a vote if both names are on the deed? These questions need to be answered by an attorney.

Chuck Lacallade, offices in Kingsland, is a former POA president and represents 10 – 20 POAs in the area. He charges \$250 per hour and by 1/10 of the hour, if needed. He has represented property owners against POAs and POAs against property owners. He has much experience with the judges in Llano County, so he knows about their tolerances of POA issues.

Linda Yarbrough made a motion to hire Chuck Lacallade to review the newly proposed Amendment Procedure with a maximum expense of \$2,500. Second was offered. All voted in favor of hiring Lacallade. HIRE ATTORNEY CHUCK LACALLADE.

Several property owners asked for a copy of the questions and answers from attorney Cagle. Keith Woody stated again that the questions and answers are very hard to follow. The legal terminology is subject to much interpretation. A property owner asked which Board members communicated with Cagle – Ryan Schnitzler, no other members communicated with Cagle.

Linda Yarbrough made a motion to have the new lawyer, Lacallade, review Cagle's email correspondence and provide a summary to better clarify for lawman's use. All voted in favor.

LIENS: Linda Yarbrough stated that Chuck Lacallade advised that the liens Sandy Harbor has filed do not need to be lifted. The lien amounts may be incorrect, but they are still valid if unpaid. A motion was made to not lift existing liens and to continue filing liens. All voted in favor, except George Moers voted no.

BOARD MEMBER VACANCY: Linda Yarbrough stated that the Board needs to replace the vacancy made by Ryan Schnitzler; Ryan's term ends May, 2016. The role is a member-only, not president. Mary Ann Ayers and John Robson volunteered to complete Ryan's term. Both offers are greatly appreciated. Some Board members thought the community should be informed about the vacancy since there may be others who wish to serve.

MAY 2015 BOARD MEMBER ELECTIONS: The following Board members' terms end in May 2015: Alta Killgore, Micah Ditmore, Ed Duckworth, Linda Yarbrough, Soc Gonzalez and Linda Crosby.

George Green asked about contacting property owners who own property along his fence line. (George is the first property on CR 311 on the west side as you enter Sandy Harbor.) He is concerned about the need for a fire line. Llano County has this information available to the public online.

Linda Yarbrough was asked by a property owner whether they could use Park F to host an Easter Egg Hunt on April 4<sup>th</sup>. Discussion about use of the park not being exclusive on the date requested and those using the park should clean the restroom, remove any trash and/or leave the park in good shape.

Linda Yarbrough discussed the request by the VFD for the POA to help with repairs needed to the Fire Hall since the POA uses the building as much or more than the VFD. The building repairs will cost \$800 for materials alone. This item should be added to the next meeting agenda.

Linda Crosby discussed a Beacon newspaper article about Milfoil (weed) invasion in Lakes LBJ and Marble Falls. LCRA and TX Parks and Wildlife are asking area subdivisions to attend a meeting on March 5 from 3:00 – 7:00 p.m. at Quail Point in Horseshoe Bay. Help is needed from communities to rid the area of this invasive weed.

Soc Gonzales will get quotes from prospective mowers to mow our parks and easements.

The next meeting of the Sandy Harbor Association Inc. will be held April 11, 2015 at 10:00 a.m.

The meeting was adjourned at about 12:15 p.m.

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Karla Melde, Secretary

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Keith Woody, Vice President