

LAND'S END HOMEOWNERS' ASSOCIATION
MINUTES OF THE BOARD OF DIRECTORS' MEETING
December 23, 2022

The following minutes reflect the discussions by the Board of Directors (the "Board") of Land's End HOA (the "Association") at the executive meeting of the Board conducted on December 23, 2022 at 285 PR 5980, Yantis, Texas 75497

Brad asked if he had a motion to call the meeting to order. So moved by Cathy and seconded by Beverley. Meeting called to order at 3.00PM

Attendees Brad Rogers, Cathy Bastyr, Beverley Haynes, Joey Bush, Paul Tibbets.
A quorum is present.

Homeowners in attendance: Bill Russell, Mike Dawson, Arlan Jaeger, Barbara Woosley, Kathy Scheumack, Leslie Pitchford, Greg Charles, Bob Banks.

NEW BUSINESS

I. Increase in Annual Dues

Brad stated that there is only one item on the agenda, which is a proposal to increase the annual dues. The last increase in dues was back in 2011. The major expense in Land's End is the maintenance of our roads. Brad said he pulled up the producer price index for the category of Road and Asphalt Maintenance last week. That particular category on the producer side has increased by 46.8% since 2011. On the consumer side that equates to almost 62% because producers have to make a margin which is typically 15%.

So, road paving prices have increased by approximately 61% which doesn't include all our other costs such as property taxes, insurance liability and common area maintenance. We spend at least 80% of our income on roads, but it has become increasingly difficult to keep up with road maintenance. The roads are now over 20 years old.

We have 3.08 miles of roads remaining to rebuild. We investigated the cost of a Bond issue which resulted in a total cost of \$166,500 and an increase in dues to \$1200 per year. The Board in consultation with members felt that that the majority of the membership would not support this increase. We then discussed a step increase in dues from \$700 to \$900 per lot per year, which would allow us to spend about \$100,000 per year on our road program, which equates to 3/8ths of a mile. Therefore, an increase in dues to \$900 will address 8% of our roads per year, not including any damage from a future weather event. However, to do nothing would be a threat to our neighborhood home values.

Brad asked for comments by the Board.

Joey agreed with Brad's summary of the situation and agreed that we have to do something.

Cathy also agreed. Beverley said she was against the Bond issue mainly because of the unknown costs over the next 20 years.

Beverley questioned what would happen in the event of an extraordinary event. Brad said we can look at a special assessment. We also have about \$30,000 going into reserves that we did not spend this year. Likely we would use a combination of reserves and a special assessment. Beverley asked for confirmation that any special assessment would be a Board decision and not a member vote. Brad confirmed.

Paul agreed that moving away from the Bond issue was the right decision bearing in mind the unknown possibilities in the future. He said increasing the dues and in a special event using a combination of reserves and a special assessment would be least objectionable to our members.

Brad asked for comments by the members.

Barbara asked if there was going to be another increase at the Annual Meeting in February 2023.

Brad said no. Beverley said people need to be aware that further increases are likely in future.

Brad agreed and said should this motion pass \$900 will be the 2023 dues.

Kathy asked about what the increase would give us. Brad said our income would increase from about \$100,00 to \$130,000. Kathy asked why not increase to \$1,000? Brad said we took into account the input from the membership and this would accelerate the current program.

Barbara asked how many lots we had. Beverley confirmed there are 139 lots.

Mike Dawson felt that with this increase we are not losing ground but perhaps not gaining ground. He compared the similar cost of paying the golf club annually for using his golf cart, and what he is paying for the roads.

Bob Banks stated that trucks are the enemy on asphalt roads. He suggested that perhaps the roads we choose to rebuild first are the roads where no new construction is likely. The most well-traveled roads by trucks should perhaps be patched and not be rebuilt until there is less construction. He also said the membership will see the value of the increase in dues.

Brad also cautioned that any future Board should maintain the standard and specifications being used to rebuild the roads.

Brad stated that the action item was to pass an increase in annual dues from \$700 to \$900. He asked do we have a motion. So moved by Beverley. Seconded by Joey. The decision was unanimous.

Brad asked for a motion to adjourn. So moved by Cathy. Seconded by Beverley. The meeting was adjourned at 3.27pm.