

**THE LAKES OF SOUTH SHORE HARBOUR C.A. INC.
REGULAR BOARD OF DIRECTORS MEETING
MEETING MINUTES - September 2019**

The following meeting minutes reflect the actions taken by the Board of Directors (the "Board") of The Lakes of South Shore Harbour C.A. Inc. (the "Association") at the regular meeting of the Board conducted September 11, 2019 (the "Board Meeting"). Location: League City Police Department – Community Room 555 W. Walker League City, Texas 77573

Attending: Rob Schuler, Allison McIntyre, Cindy Pratt, Michael Goodnight (via teleconference)
Absent: Mike Lee

Guests: Kristin Hooker (Property Manager), Tully Dunlap, Jay Mehta, Claudia Foutz, Steven Day

I. MEETING CALLED TO ORDER AT 6:41 PM

II. CONSIDERATION OF CURRENT AGENDA

Motion: Approve the Agenda with proposed edit:

*Table: Manager's Report

*Add subitems to Treasurer's Report:

- a. Past due Statements
- b. Summary Statistics for collection activities,
- c. Consider budget for 2019-2020
- d. Financial Statement Review

*Add subitem to VII. Old Business:

- d. Office Space

*Add subitem XI. Executive Session:

- c. Status of Management Topics/Voicemail

Result: Motion passed

III. READING AND CONSIDERATION OF MINUTES FROM AUGUST 14, 2019

President stated there was not time to review the minutes before the meeting and minutes will require revisions.

Motion to table the minutes until significant revisions can be made

Result: Motion failed

The Secretary reaffirmed the minutes are indeed accurate as they were created from the meeting recording. The Secretary suggested the Board take a moment to read the minutes and determine whether there are any disagreements on stated facts. The President stated that she has read the minutes and disagrees with the level of detail. The President stated the minutes are going to be pared down. The Secretary requested clarification on whether the President was speaking for the Board. The Secretary also clarified the length of minutes was reflective of the amount of discussion per topic.

The President stated the minutes are being tabled. The Treasurer acknowledged an open item was not being acted upon. A vote was not taken to table consideration of the minutes.

IV. MANAGER'S REPORT (TABLED)

V. DIRECTORS' REPORTS

Treasurer's Report

Financial Statement Review

Treasurer summarized the balance sheet from August 31, 2019. She reported the bank account has increased significantly because of the influx of payments for July dues. There has been no activity in the Texas First and Icon bank accounts.

Summary Statistics for collection activities

The accounts receivable balance has declined. 2019 assessments receivables are approximately \$396,000. The treasurer reported that legal efforts and community communications have yielded about \$90,000 in past due collections. Equity accounts are still in the process of reconciling from the conversion from QuickBooks to AppFolio.

Motion to approve and post the financial statements on the HOA site

Result: Motion passed

Past due Statements

Treasurer stated that 467 past due statements and accompanying letters were mailed to the community, representing approximately \$504,000 in delinquent accounts, including 2019 assessments and associated late fees. All statements were greater than \$200 and gave 30 days to pay the balance. The President stated that all unsettled accounts in this mailing will be mailed a 209 demand letter via certified mail. If payment is not received after the 209 mailing, then the open balances would automatically go to the HOA attorney for collection per statuted.

The Secretary asked if the letter's language was sent to the Board for approval. The letters are available to the board via access to AppFolio. The Treasurer stated that the language was consistent with Texas Property Code 209. The President stated it was based on data in AppFolio, and the Treasurer stated the Board paid \$25,000 to an outside accounting firm to make it accurate. The Secretary gave an example of a homeowner that had paid their assessments and received a letter demanding payment. The President stated the letter was in the format of a 209 letter provided to the Board.

Consider budget for 2019-2020

Motion to approve the 2019-2020 budget

Result: Motion passed

Secretary's Report (TABLED)

VI. COMMITTEE REPORTS

Landscaping Report

The Secretary provided an update on landscape revitalization phase 1. A large number of unsightly river birch trees have been removed.

Maintenance Report (TABLED)

OLD BUSINESS

Consideration of Reserve Study Bids

The Secretary clarified the proposed firm will attend the next annual meeting to present updated results, and the near-term report information can be shared, and we can begin acting on it.

Motion to approve Criterium Farrell Yancy Engineers to complete a full reserve study for the Lakes at a cost of \$7,000

Proposed amendments not accepted

Result: Motion passed

Discussion/Comments on proposed edits to Board Code of Ethics/Board Code of Conduct (Taken from table)

The President provided edits to the original version submitted in April with comments. The President stated edits were to condense down what was originally proposed to get onto two pages to combine the code of ethics and code of conduct into a single document because signing two pieces of paper is not really necessary.

The Secretary proposed to accept the documents as originally created in two separate documents. The Treasurer stated she did not agree. The President asked why two separate documents is necessary as opposed to a single document. The Secretary noted it is very common to have two separate documents on ethics and conduct since they are different concepts but combining the documents into one could be done. The Secretary also noted the documents had already been through rigorous creation and formal reviews prior to submitting them to the Board, and three directors were already in agreement.

Motion to approve the documents as previously presented in April

Result: Motion failed

Role Definition for Board Legal Point of Contact (POC)

Motion to table topic until a new Board is elected

Result: Motion died

The Secretary presented that there was a lot of previous discussion on the role of a legal POC.

Office Space (TABLED)

VII. NEW BUSINESS

Audit Plan for financial reports

The President stated the Treasurer did not recommend an audit at present. The Treasurer stated an audit would not be a value add, at this time however an audit is recommended at the end of the fiscal year.

Two Proposals for Signage regarding bicycle traffic on sidewalks was presented by the Admin

Motion to approve the purchase of 15 small bicycle traffic signs and 10 large green signs for placement around the lakes

Result: Motion passed

Foreclosure Procedure Information (Topic addressed during Legal POC discussion)

Annual Meeting Planning (TABLED)

VIII. RESIDENT COMMENTS

Ms. Claudia Foutz: The MUD Board has asked her to be a candidate for the next open position on the MUD Board. Claudia has voiced her intentions to run for a position on HOA Board of Directors. She has discussed this with the MUD attorney and cleared that there will be no conflict of interest with serving on both Boards.

Mr. Jayesh Mehta: Resident would like to ask that the board maintain full transparency when election results are announced. Mr. Mehta would like to also recommend that the monthly meetings are posted on the website in a more obvious manner.

Mr. Tully Dunlap: Mr. Dunlap voiced his concerns regarding document requests that were submitted through legal counsel. Mr. Dunlap advised that he is considering going to the District Attorney and filing for a Receiver because of the dysfunction within the HOA Board that he has observed.

IX. CLOSE OF OPEN BOARD MEETING

X. EXECUTIVE SESSION (TABLED)

XI. MEETING ADJOURNED: 9:00 PM

The Board of Directors for the Lakes of South Shore Harbour, C.A. Inc. after being duly sworn, does solemnly swear or affirm, these minutes are a true and correct record of the facts of the specified meeting.

SIGNED _____ TITLE _____
_____ DATE _____

NOTARY SEAL _____ MY COMMISSION EXPIRES _____

By: _____ DATE: _____