

# MINUTES OF THE BOARD OF DIRECTORS' MEETING

February 2, 2026

The following minutes reflect the discussions and actions by the Board of Directors (the "Board") of Land's End HOA (the "Association") at the executive meeting of the Board conducted on February 2, 2026, at The Clubhouse, 285 PR 5980, Yantis, Texas 75497 at 3<sup>PM</sup>.

Brad asked if he had a motion to call the meeting to order. So moved by Cathy and seconded by Beverley. All in favor. Meeting called to order at 3.02<sup>PM</sup>

Attendees: Brad Rogers, Carl Shafer, Cathy Bastyr, Beverley Haynes, Joey Bush. A quorum is present.

Members in attendance: Phil Bandel, Cliff McMillan, Angela Lane

## 1. Meeting Purpose

### 1.1. Review and Finalize the 2026 Budget

The Board conducted an in-depth review of the proposed 2026 budget, focusing primarily on road repair funding, reserve levels, and long-term financial planning. Directors confirmed that the most recent revision increased the Road Repair & Maintenance line item to \$115,000, reflecting the Board's decision to accelerate road base rehabilitation. All other previously discussed adjustments had already been incorporated into the working budget.

The Board reviewed the December 31 year-end financials, noting that the HOA ended 2025 with a use of funds of \$25,220.99, approximately \$5,000 under budget. Total liquid assets at year-end were \$134,791.47, consisting of the operating account and the HOA's CD.

#### Road Repair Strategy and Reserve Planning

A significant portion of the discussion centered on long-term road planning. The President presented additional research on HOA reserve practices, noting that most HOAs base reserves on depreciable assets such as buildings, pools, and clubhouses. Because Land's End HOA does not own such assets, the primary risk exposure is road damage, particularly from severe weather events.

The President recommended adopting a reserve target equal to 50% of the prior year's total expenses, which for 2026 equates to approximately \$80,000. This level is intended to ensure the HOA can respond to an uninsured road failure, such as a major flood event affecting multiple culverts. A theoretical analysis of all 18 drainage points indicated that a severe washout could require approximately \$47,000 in immediate road reconstruction.

Directors discussed the long-term cost trajectory of road work. Once all road sections have been rebuilt with stabilized base, future resurfacing costs are expected to drop significantly—from the current \$2.61 per sq. ft. for full reconstruction to approximately \$0.80 per sq. ft. for surface-only repaving every eight years.

### 1.2. Capital Call and Financing Options

One director raised the possibility of a capital assessment to accelerate road completion, noting that a one-time assessment of roughly \$3,000 per lot could allow the HOA to

complete all remaining road sections in a single year. Other directors expressed concern that such an assessment would not be supported by homeowners and that the current phased approach is more acceptable to the community.

Alternative financing options, such as private placement or internal lending, were briefly discussed. The Board agreed these options could be explored but may not be feasible given the HOA's size and annual revenue.

### **1.3. Maintenance and Common Areas**

Directors discussed the importance of maintaining common areas while continuing road work. Concerns were raised about the condition of the front entrance fencing, missing or damaged light fixtures, deteriorating capstones at the entry beds, the appearance of the fountain area, and ongoing gate repairs. The Board agreed that common-area maintenance must remain a priority and that budget adjustments can be made within the year if necessary. The life of the arched bridge remains an unknown, but it is insured for \$50,000.

### **1.4. Gate Issues**

The Board discussed recent gate malfunctions during the winter storm. The residence gate temporarily stuck open but later corrected itself. The boat ramp gate continues to drag near the closed position; a wheel installation is planned to prevent the gate from binding and reopening. Battery-powered electric eyes may also require periodic replacement.

## **2. Planning for the Annual Meeting on February 7**

Brad called Ken Stribley who is stepping down as Fire Chief to come to the annual meeting to be thanked for his years of service. Rob Roomer is the new chief, and he will be introduced to the members.

Brad has updated the slides for the presentation. Beverley has prepared the voting slips and signing sheets. She will purchase name badges.

Cathy will get with Lori and prepare the financial statements. We will email the statements and have a limited number of copies (25) at the meeting.

Tom to provide slides for the Sporting Club update.

Set up starts at 1pm on the day. Food, Ravioli, taquitos, cookies and wine will be available from 2pm. The presentation starts at 3pm.

## **3. Vote to Approve 2026 Budget**

The Board considered a suggestion from an owner to spend another \$30,000 above what is in the budget, because the cost per square foot will only get more expensive each year. However, the Board preferred the budget as planned.

A motion was made to accept the 2026 budget as presented. At this time the roads to be rebuilt have not been earmarked.

## **4. Adjournment**

Brad entertained a motion to vote to approve the budget for 2026. So moved by Beverley and seconded by Carl. Motion passed unanimous. The meeting adjourned at 5.35pm.