

June 28, 2008

Special Meeting of the Board of Directors of
Tri-County Point Property Owners Association

Agenda 9:00 AM

- * Financial Report
- * 4 loads of gravel at the boat ramp \$1500.00 -\$2000.00
- * Section 2 Water Well (approx. 3 months until completion)
Carlton Utesey recently received the drilling specs From Jackson County
- * Sign off on Tri-County PPOA members
Approval requests
- * Set date for Annual Meeting August 16, 2008
Set time for Board Meeting
- * Present Estimated Cost for new office \$62,548.22
See attached
- * Dawna Frankson request for pay raise
currently \$1,265.62 monthly take home (\$7.91 per hour)
- * Request approval to include Dawna Frankson on Checking Account
Michael Gainer said this is legal (in an emergency situation only)
By-Laws *Article XI* checks and disbursements
- * Proposed By-Law Amendment
Section 4. Rules and Regulations Regarding Recreational Vehicles

10.15 AM

- * Michael Gainer: via speaker phone
 - Recreational Vehicles six months per year
 - storage buildings/sheds (on slabs/blocks/gravel)
 - detached buildings
 - Consequences of violations/ penalties (what can we do)

- Lunch
- Deed restrictions: utility buildings (Michael Garner)
- Does precedent imply acceptability? (Michael Garner)
- Phillip Rumpf
- Architectural Committee
- Definition of permanent structure
- set date for Board meeting
- Banking
- Well
- Board meeting next Saturday 9am
- What is a "detached" building?
- RV six month restriction: MGF

Annual Meeting

- deed restrictions
- metal buildings
- boat ramp material
- road maintenance

- Board meeting
- boat ramp ✓
 - office
 - pay; position
 - maintenance man
 - office girl / PHS coop?
 - RV six month restriction
 - well

time limit on home construction?

Checklist for Recreational Vehicle, Slab, RV Cover and Storage Building Approval

1. Property owner must install a culvert in compliance with the existing deed restrictions.
2. Property owner must:
 - a. install an all-weather driveway or
 - b. provide a comprehensive plan to install an all-weather driveway and slab (if the owner wishes to install a slab) in compliance with existing deed restrictions.
3. Property owner must connect to community water service.

Upon completion of these three steps, the Board will consider approval of a valid application for a Recreational Vehicle in compliance with existing deed restrictions.

4. Property owner must comply with all setbacks, rights of way and other use restrictions in existing deed restrictions.

Upon completion with these four steps, the Board will consider approval of a valid application for a slab to service a recreational vehicle.

5. Property owner must have filed and Board must have approved a permit to:
 - a. bring a recreational vehicle into the community or
 - b. construct a home.

Upon completion of all five steps, the Board will consider approval of a valid application for a detached building.

Independent of all these guidelines, Property Owners are expected to comply with the Deed Restrictions pertaining to maintaining their property in a clean and orderly manner, maintaining their Recreational Vehicles in a road-worthy state and remaining on lots no longer than six months.

susan

From: "Michael T. Gainer" <mtg-atty@mgainer.com>
To: "Susan Jessup" <tricounty@awesomenet.net>
Sent: Monday, June 16, 2008 3:22 PM
Attach: PROXY. ANUAL MEETING. 06-16-08.doc; NOTICE OF ANNUAL MEETING. 06-16-08.doc
Subject: TRI-COUNTY POINT - NOTICE OF ANNUAL MEMBERSHIP MEETING AND PROXY

Susan:

As discussed this afternoon, a draft Notice and a draft proxy form (in *Word* format) are attached hereto.

Please do not hesitate to call or e-mail with any questions or comments you may have. Thank you.

M. T. GAINER (office tel. no. 713.622.6440 ext. 15 / cell phone no. 713.594.5878)

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6/27/2008

susan

From: "Michael T. Gainer" <mtg-atty@mgainer.com>
To: "Susan Jessup" <tricounty@awesomenet.net>
Sent: Friday, June 27, 2008 3:15 PM
Attach: PROXY-BALLOT. 08-16-08 ANNUAL MEETING. DRAFT. 06-27-08.doc; PROXY. ANUAL MEETING. REVISED. 06-27-08.doc; BY-LAW AMENDMENT. RECREATIONAL VEHICLES. DRAFT. 06-27-08.doc; NOTICE OF ANNUAL MEETING. INCLUDING BY-LAW AMENDMENT. 06-27-08.doc
Subject: 2008 ANNUAL MEETING/PROPOSED BY-LAW AMENDMENT

RE: Proposed Second Amendment to the Restated By-Laws of Tri-County Point Property Owners Association, Inc.; and 2008 Annual Meeting of Members

Susan:

I have enclosed herewith preliminary drafts of: (1) the Notice of Annual Meeting of Members; (2) the text of the proposed Second Amendment to Restated By-Laws of Tri-County Point Property Owners Association, Inc.; (3) proposed Proxy form; and (4) proposed Proxy/Ballot form. As previously discussed, there is some risk affiliated with relying on a By-Law Amendment to grant the Association the power to enforce rules and regulations basically interpreting a provision of the Covenants concerning recreational vehicles. Further, the minutes of the June 28, 2008 Board meeting should support such action prior to mailing the Notice to the members.

As you know, amending the Restrictions (Covenants) is a safer approach. Having such language in the Restrictions and By-Laws both is even safer. However, there is some case law support for the proposition that, if your Association is delineated in the Restrictions as a Non-Profit Corporation, the terms of the By-Laws are construed to be incorporated into the Restrictions (Covenants) by reference (See *Candlelight Hills Civic Association, Inc. v. Goodwin*, 763 S. W. 2d 474 (Tex. App.--Houston [14th Dist.] 1988, den.).

Except as set forth therein, the enclosed draft is not intended to otherwise expand the authority of the referenced "Committee" or the Board. Please note that my comments, suggestions, recommendations, concerns and opinions set forth herein are my professional opinions and are not intended to be construed as statements of fact, warranties or guarantees. When interpreting contractual provisions, corporate documents, Deed Restrictions (Covenants), statutes and/or case law, there is inherent risk that such matters may be the subject of multiple interpretations. At the Association's request, this telefax has been kept concise and is not intended to cover every possible scenario. Further, in the event of litigation regarding any and/or all of the issues discussed herein, it is not possible to accurately predict the outcome. This letter is intended as legal advice only for Tri-County Point Property Owners' Association, Inc., a Texas Non-Profit Corporation, and for no other person or entity. The contents hereof are attorney/client privileged, unless a Director, Officer, agent or representative of the Association releases or publicizes same.

Please carefully review the attached drafts, and call or e-mail with your comments. Thank you.

M. T. GAINER (office tel. no. 713.622.6440 ext. 15 / cell phone no. 713.594.5878)

CONFIDENTIALITY STATEMENT

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6/27/2008

TRI-COUNTY POINT PROPERTY OWNERS ASSOCIATION
PROPOSED BY-LAW AMENDMENT

The proposed Second Amendment to the Restated By-Laws of the TRI-COUNTY POINT PROPERTY OWNERS ASSOCIATION, INC. is that a new Section 4 be added to Article XVIII of the Restated By-Laws providing as follows:

Section 4. Rules and Regulations Regarding Recreational Vehicles. Pursuant to Article VI, Section 1(c) of these By-Laws, the Board of Directors may “exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the Membership by other provision of these Bylaws, the Articles of Incorporation or the Covenants.” Further, pursuant to applicable provisions of *Sections 202 and 209 of Title 11 of the Texas Property Code*, the Association’s Board of Directors may promulgate and enforce rules and regulations applicable to the Subdivision. The Covenants for each Section provide that the rights and authority of the Control Committee (the “Committee”) are vested in the Board of Directors of the Association. Article II of the Covenants also provides, in part that, subject to the advance approval of the Committee, “*....approved recreational vehicles shall be allowed to remain on the lots in the Subdivision up to, but no longer than six consecutive months, even though not in use....*” In order to prevent abuse of this provision of the Covenants, such rules and regulations may establish a period of time during which a recreational vehicle must be removed from the lot prior to its return. Failure to adhere to such rules and regulations will be considered a violation of the Covenants, these By-Laws and any such promulgated Rules and Regulations, and the Association (by majority vote of the Board) may pursue any legally available means of enforcement, including, but not limited to, establishing penalties for the infraction thereof.

**Tri-County Point Property Owners Association
14 Co Rd 480
Palacios, Texas 77465**

**Special Board Meeting
August 15, 2008**

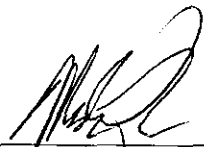
Tri-County received information from the Jackson County tax office that several pieces of property were being sold for back taxes on August 5th at the Jackson County Court House. Property in question 1-A-13.

The maintenance account for property 1-A-13 has a lengthy history of non payment. The account was placed in our collection agency in 2004. The account balance was \$1,788.00 in delinquent maintenance with the collection fee being 595.99. In 2005 the Association offered them a settlement agreement of \$500.00 (delinquent maintenance), \$166.67 (collection fee) and \$125.00 for the current year maintenance.

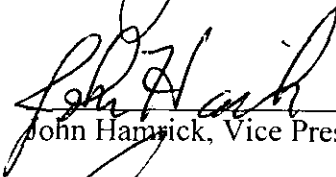
On August 1st 2008 I received a phone call from Patty Frank. She informed me, her and Mark were interested in purchasing Connie Mc Neely property 1-A-13. She was aware Jackson County would be selling this lot at the auction on Aug 5th 2008; however she did not want to take the chance of someone out bidding her. I explained to her that if the property were to be purchased from the auction, all delinquent maintenance fees as well as the collection fees would be elapsed. Patty then wanted to know how much was owed on the property. I told her the account was currently in collections. Acting as Assistant Manager for Tri-County, I explained the amount due \$1,913.00 plus 637.66 collection fee. She asked if there was some way to decrease the amount due. I informed her that in most cases I do not remove accounts from the collection agency. However, I could offer them a settlement agreement of \$1,000.00 with collection fee of \$333.33. Depending on each case scenario, I make every attempt to generate as much revenue as possible. During our conversation, I was asked "who gave you the authority to make these types of money making decisions". I responded by tell her, the board has actually never brought the issue up. I feel it is my responsibility to maintain accurate records as well as make important money making decisions such as this one. The decisions I make are for the betterment of the Association, but most important, strive to increase the revenue for the Association.

I told Patty I would contact the Board; explain the situation so they would be making the final decision on the delinquent maintenance fees. I spoke to Mark during this phone call; at which time he made a \$500.00 offer on the lot owned by Connie Mc Neely. I believed this particular issue was definitely a conflict of interest, and after talking to Mark he also agreed. He suggested I contact John Hamrick and Gene Finn to get their vote as to accept his \$500.00 offer for the delinquent maintenance. In the legal aspect of a situation as this, we are allowed to collect \$500.00 (the last four years) due to the statue of limitations. However, I continued to make every attempt possible to generate more cash flow.

I spoke with Gene Finn via cell phone. I conveyed to him the situation at hand, a property owner wants to sell her property and the Franks are interested in purchasing it. The account is in collections with a \$2,550.66 balance. I told him of Mark's offer and explained the legal issue of the statute of limitations. Gene proposed charging the \$500.00 and collecting the \$166.67. I then contacted John Hamrick via cell phone, leaving a voice message with a brief explanation. John Hamrick returned my call, telling me he had spoken to Gene Finn, I was instructed to collect \$333.33 from the Franks that being the \$500.00 less \$166.67 collection fee if they were interested in the property. The Carlton Company was contacted and the account was written off and cleared. Gene Finn stopped by the office Aug 14, 2008 and informed us he did not agree with John Hamrick and stands by his decision to collect the \$166.67.



Mark Frank, President 12/8/8
Date



John Hamrick, Vice President 12-6-08
Date



Gene Finn, Sec/Tres. 9/24/08
Date

Tri-County Point Property Owners Association, Inc.
14 County Road 480
Palacios, TX 77465
Tele, 361-972-3998, Fax, 361-972-0309, Email tricounty@awesomenet.net
www.tricountypoa.org

Board Meeting
August 16, 2008

In attendance were Mark Frank, President, Gene Finn, Sec/Treas, Manager Susan Jessup, Assistant Manager Dawna Frankson, Secretary Sarah Greer and the Association Attorney Michael Gainer. John Hamrick was absent due to death in family.

The Board agreed to, purchase 2 picnic tables, have 3 benches built for the pier, add 2 more lines to the office phones, purchase 4 line phones, if TISD did not offer VOIP, wireless phone service, purchase upgrade to Microsoft office 2007. We had to purchase a desk for Dawna and a computer for Sarah (new employee) so Susan explained the cost of these items. John wanted us to go to Austin to get a used desk and chairs at a used furniture store, but we priced it at Office Depot for \$38.21 more, and did not have to drive to Austin. There was discussion about mowing and the Board agreed to mow our reserved areas. The Green Man Company turned in a bid to mow all the lots not being mowed. The price per lot was \$12.50. The Board said not at this time, we would look into this later. We asked the Board about buying a push mower with grass catcher (\$170.00) for inside pool area verses concreting. When the pool area is mowed grass gets in the pool. The Board agreed to concrete inside the fence area. We will have a work day around October to concrete inside pool area; therefore we will not purchase a mower. Sarah looked into the price of street signs and Mark said we would discuss it in the annual meeting.

Ni America, LLC turned in a proposal to buy our water and sewer system. The offer was \$90,000.00 The Board said no due to the fact that the water and sewer rates would probably go way up and we would have no control over it they were not interested at this time.

Danny Jessup told the Board about the backhoe being broke down and the cost of repair was \$7,341.34. The Board agreed to repair the backhoe. For use of Danny's personal equipment he will charge \$55.00 per hour 2 hour minimum for the backhoe and \$1.00 per foot for the ditcher 75 foot minimum. Danny explained about the water tanks in Section 3 and 4 being in bad shape and could possibly at any time burst. The cost of a new tank will be about \$ 16,000.00, delivery \$500.00, labor \$600.00, well house \$2,500.00 the total cost per well is \$20,000.00. The Board agreed to install one this year and one next year. They discussed rather the old tanks could be utilized for extra water storage and Danny told them he would have to cut the end off to check the condition of the inside and the lining. They discussed the waste water plant was repaired 7 to 8 years ago and thought they should look into a grant for a package plant.


The Board agreed to increase Danny Jessup's pay from \$250.00 to \$600.00 per month for his water and sewer license, and \$18.00 per hour regular time and \$45.00 call out time after 5:00 pm. Mr. Jessup informed the Board that he had been using his personal truck

for Tri-County business many years. He told the board the free ride was over. If they were interested he had a 2001 Ford truck they could purchase for \$3,500.00 and the Association may want to consider buying it due to he is going to charge \$75.00 per month for using his personal truck for Tri-County.

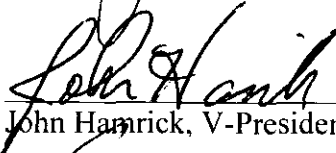
Dawna asked about placing and add in the Victoria Advocate for maintenance person when needed. The Board agreed.

Michael Gainer was asked about the deed restriction violations. There is a 4 year statute of limitations on violations. The by-law attachment guide lines that the Board is working on can not be back dated. They are not in place until the Board has approved and recorded them in the Jackson County Clerks Office. The Board decided to turn two (2) major violations (Rumph and Todd) over to Mr. Gainer for further enforcement.


The Board agreed to raise the insurance coverage on the wells to 33,000.00 and waste water plant 90,000.00, and office 10,000.00 and contents to 20,000.00, pool house to 10,000.00 and pool 6,000.00 and fence 3,000.00, and Section 2 bath house 10,000.00. Susan got a 5.5 percent raise, and Sarah's probation period is 3 months instead of 6 months. Mark Frank said everyone would get a raise in 3 months.



Mark Frank, President Date 12/8/8



John Hamrick, V-President Date 12-06-08

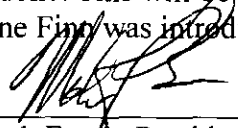


Gene Finn, Sec/Treas. Date 12-06-08

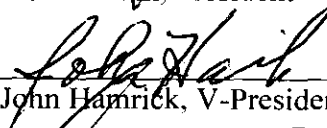
Tri-County Point Property Owners Association, Inc.
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Tele, 361-972-3998, Fax, 361-972-0309, Email tricity@awesomenet.net
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Minutes of Annual Meeting
August 16, 2008

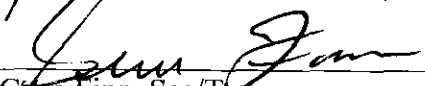
There were 18 property owners in person and 134 by proxy, so a quorum was established and Mark Frank called the meeting to order. The minutes from the last meeting were not read. He told the owners about several items needing repair: new water storage tanks needed for Section 3 and Section 4, Danny explained that if the tanks can be repaired, using them for extra water storage, need to drill a new well for section 2, backhoe repair, new office, waste water treatment plant and possibly purchasing a used truck for Tri-County. All this would cost an estimated \$230,000.00. Mark introduced Sarah Greer and explained she was hired to learn how to run the office due to health issues with Dawna and Susan. Mark talked about some guidelines the Board is working on for RV's and detached buildings to attach to the by-laws. Someone asked about a dump station for RV's and said to charge \$5.00 for usage. We have looked into this before and the chemicals in RV's would not be compatible with our treatment plant. We would have to install a septic system. Mr. Schultz asked Mark Frank to introduce the employees, board members and the association attorney Michael Gainer. Deed restrictions were discussed, and two were turned over to the association's attorney. Michael Gainer gave an explanation of violations and legal action that we are able and unable to take. We are planning a work weekend for around October to concrete inside the pool area. This will help keep the grass out of the pool when mowed. The drainage problem was brought up again and we explained about Mr. Appling not meeting with us so we can resolve this matter. When the backhoe is repaired we can us out clean out bucket, but that is the best we can do right now. Mark Frank told the owners about the prices Sarah Greer got on street signs. Signs for all major roads were, 36 signs and hardware \$1,919.70, for just the main roads, 12 signs and hardware \$732.40. A show of hands vote was favorable for getting 36 signs. Jeff Rost said he would like to get prices for signs at the cost of the county he worked for. Jack Ward asked why the association couldn't get insurance for employees. Peggy Lewis said it would be very expensive. One property owners said to give a 3,500 bonus each year to employees. Dave Anthony said we needed to make it a rule that all storage building be ties down. A property owner said we should raise maintenance fees from \$125.00 to \$150.00 to help with the cost of all repairs needed to be done. This will be voted on in a special meeting of membership. Gene Finn was introduced as still being Secretary/Treasure.



Mark Frank, President
Date 12/8/08



John Hamrick, V-President
Date 12-8-08



Gene Finn, Sec/Treas.
Date 9/24/08

Tri-County Point Property Owners Association, Inc.

14 County Road 480

Palacios, TX 77465

Tele, 361-972-3998, Fax, 361-972-0309, Email tricity@awesomenet.net

www.tricitypoa.org

Board Meeting

December 6, 2008

The Board discussed the revenue and expenses for the water and maintenance accounts for 2009. The Board wants a written statement on the progress of the water well being drilled in Section 2. A calculation of lost revenue since property owners are not being billed for water.

The Board approved raising transfer fees to \$50.00 from \$25.00.

They said to hold off on the pool project till Kazwell pays.

Sarah is back to train to do some of Susan's job and after that she will work 4 days a week every other week at \$9.00 hr.

The Board wants a set of maps with all water and sewer lines, valves and hookups marked. The original is to be kept at the office and one for each Board member and one for Danny Jessup. The employees were given a \$250.00 Christmas bonus.

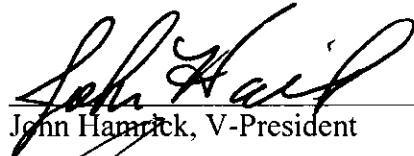
The Board wants to start holding Board meetings every quarter, the next meeting being around January 15, 2009.



Mark Frank, President

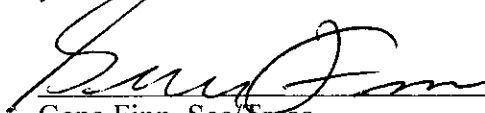
3/1/9

Date



John Hamrick, V-President

Date



Gene Finn, Sec/Treas.

1-30-09

Date