

TRI-COUNTY POINT PROPERTY OWNERS ASSOCIATION

**P. O. DRAWER 798
PALACIOS, TEXAS 77465
Tel. No. (361) 972-3998**

MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS***Time and Place***

A special meeting of the Board of Directors of TRI-COUNTY POINT PROPERTY OWNERS ASSOCIATION (the "Corporation"), a Texas Non-Profit Corporation, was held via telephone conference call at 5:00 o'clock P. M. on Saturday, March 27, 1999.

Call and Notice

The meeting was called by Mr. Ricky Tauzin, the Corporation's President, for the purpose of voting on the proposed settlement of Federal Court Case No. V-89-027 (the "FDIC Litigation"). Notice of the meeting was mailed and/or telefaxed to all three (3) Directors on March 24, 1999. A copy of the referenced Notice is attached to these minutes.

Chairman and Secretary

The President of the Corporation acted as Chairman and the Secretary of the Corporation acted as Secretary of the meeting and recorded the minutes.

Directors and Other Person(s) Present

Mr. Ricky Tauzin (Director and President), Mr. William Winnie (Director and Vice-President) and Ms. Mary Rowe (Director and Secretary) were all present via telephone conference call, and each such Director and Officer participated in the discussion and voting. Accordingly, the meeting was attended via telephone conference call by all three (3) Directors of the Corporation. The Corporation's legal counsel, Mr. Michael T. Gainer, although not a voting Board member, also participated in the discussion.

Resolutions

After a detailed discussion of the lawsuit and the settlement proposed by the FDIC, and on motion duly made, seconded and carried by unanimous vote, the following resolutions were adopted:

RESOLVED that the Corporation shall enter into a Settlement Agreement and Release with the FDIC, as well as the intervening taxing authorities, resulting in the Corporation receiving an agreed upon Cash settlement from the FDIC.

RESOLVED that, as a portion of the settlement proposed by the Federal Deposit Insurance Corporation ("FDIC"), the Corporation is authorized to take title to the various Lots and Reserves located within Boca Chica Subdivision, Sections One (1) through Eight (8), inclusive, Jackson County, Texas, which properties were previously owned by Boca Chica Development Company or Victoria Savings Association, and such properties currently being owned by the FDIC in accordance with a prior Final Judgment (as to Certain Parties Only) previously signed in the referenced Federal Court Litigation. The

referenced properties were believed to total in number approximately six hundred eight (608), plus or minus. Additionally, the Corporation is authorized to accept from the FDIC whatever ownership the FDIC may have in the roads and road rights-of-way located in Boca Chica Subdivision, Sections Three (3) through Eight (8), inclusive, Jackson County, Texas.

RESOLVED that, as a condition precedent to the Corporation's acceptance of title to the referenced properties, the FDIC must pay all delinquent taxes of any nature applicable to such properties prior to the conveyance thereof to the Corporation;

RESOLVED that the Corporation may accept title to such properties in the form of a Deed Without Warranty and/or a Quitclaim Deed, or both.

RESOLVED that the Corporation shall endeavor to obtain a title policy on all such referenced properties, and that all necessary Corporation funds may be expended to obtain such title policy.

RESOLVED that the Corporation's legal counsel, Mr. Michael T. Gainer, is authorized to continue settlement negotiations and to prepare or propose settlement documents, including the referenced Settlement Agreement and Release and including a proposed Joint Motion for Dismissal of the case and a proposed Agreed Order of Dismissal of the case.


RESOLVED that Mr. Ricky Tauzin (President of the Corporation) and/or Mr. William Winnie (Vice-President of the Corporation) are each authorized to sign any and all documents deemed by either or both of them to be reasonably necessary to accomplish the settlement of the referenced Federal Court litigation in accordance with any and all of the Resolutions set forth herein.


Adjournment

There being no further business, on motion duly made and seconded, and no objection being made, the Chairman declared the meeting adjourned.


SUSAN JESSUP, Assistant Secretary

APPROVED:


RICKY TAUZIN, Director and President


WILLIAM WINNIE, Director and Vice-President



TRI-COUNTY POINT PROPERTY OWNERS ASSOCIATION

**P. O. DRAWER 798
PALACIOS, TEXAS 77465
Tel. No. (361) 972-3998**

March 24, 1999

TO: Mr. Ricky Tauzin	Mr. William Winnie	Ms. Mary Rowe
1930 Old Dixie	6600 Blarwood	50811 Stagecoach Road
Richmond, Texas 77469	Austin, Texas 78745	East Liverpool, Ohio 43920
Tel. No. (281) 232-7814	Tel. No. (512) 448-2273	Tel. No. (330) 385-0298
Tel. No. (318)824-1665		

**NOTICE TO BOARD OF DIRECTORS REGARDING SPECIAL BOARD MEETING TO VOTE
ON PROPOSED SETTLEMENT OF FEDERAL LITIGATION (Civil Action No. V-89-027)**

The Association's President, Mr. Ricky Tauzin, has determined that it is necessary to call a special meeting of the Association's Board of Directors. Pursuant to the Association's By-Laws and pursuant to the applicable provisions of the *Texas Non-Profit Corporation Act, Article 1396 of the Texas Revised Civil Statutes*, the meeting shall be held by telephone conference call during which all three (3) members of the Association's Board of Directors shall participate contemporaneously. The purpose of the meeting is to vote regarding the approval of the proposed settlement in the above referenced litigation, which litigation has been pending for approximately eleven (11) years.

Pertinent information regarding this very important special meeting, which meeting is for the sole purpose of voting on the approval of the proposed settlement as referenced hereinabove, is as follows:

Date: Saturday, March 27, 1999.

Time: 5:00 P.M.

Location: Via ATT Telephone Conference Call.

Agenda:

- 1) Establish Quorum;
- 2) Discussion regarding proposed Settlement;
- 3) Vote on proposed Settlement;
- 4) Announcement of voting results; and
- 5) Adjournment

Ms. Susan Jessup, the Association's Manager, has already scheduled the referenced telephone conference call with each of the three (3) Board members and confirmed their respective availability at such date and time. The Association's legal counsel, Mr. Michael T. Gainer, shall also participate in the telephone conference call discussion.

**TRI-COUNTY POINT PROPERTY OWNERS
ASSOCIATION**

BY: RICKY TAUZIN, President

RT/sj

VIA OVERNIGHT DELIVERY

TRI-COUNTY POINT PROPERTY OWNERS ASSOCIATION, INC.

P.O. DRAWER 798

PALACIOS, TX 77465

PH (361)972-3998 - FAX (361)972-0309 -E- MAIL tricity@wcn.net

The 1999 Annual Meeting of the Tri-County Point Property Owners Association was held at the Carancahua Community Center on April 24, 1999. The meeting was called to order by the President Ricky Tauzin. He introduced the other officers in attendance, Vice president William Winnie, and Office Manager Susan Jessup. President, Ricky Tauzin introduced the association's attorney, Michael Gainer.

The minutes from the 1998 meeting were read by William Winnie, and approved as read by the membership.

The meeting was then turned over to President Rickey Tauzin, he went over the cash flow through out the years and the settlement with Appling and B.C. Water. William Winnie addressed questions on the financial statement.

The settlement with the F.D.I.C. was discussed and William Winnie announce that we had received a substantial settlement. By the terms of the settlement we can only release details by direct request from a member. He also reported the paperwork was still in the process of being signed. All back taxes will be paid and we will control of all the unsold property. Discussion on changing the by laws to accommodate and elected board.


There was discussion on closing sections 7 and 8 . The owners in these sections would be able to trade for a lot in sections 3,4 or 5 (does not include water front). After this the membership would have the chance to purchase additional lots. The selling of lots were addressed as to if there would be an outside real estate person or an inside real estate person. We have learned that a real estate person is not necessary, we can go through the title company.

Several questions addressed from the floor.

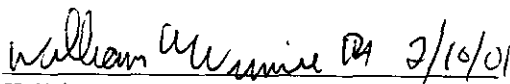
The roads were addressed, we talked about going to commissioners court to see if we could get some assistance on the repair of the roads.

Danny Jessup and Wesley Boone were introduced when the question was raised as to who took care of the maintenance work.

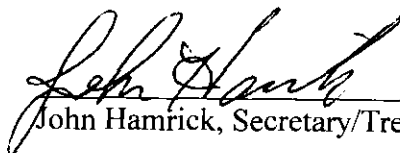
We thanked Sarah Greer and Carolyn Boone for their help with the refreshments and the members.



Rickey Tauzin, President



William W. Winnie, III, V-President



John Hamrick, Secretary/Treasurer

TRI-COUNTY POINT PROPERTY OWNERS ASSOCIATION, INC.
Minutes for the 1999 Annual Membership Meeting

The 1999 Annual Meeting of the Tri-County Point Property Owners Association was held at the Carancahua Community Center on April 24, 1999. The meeting was called to order by the President Ricky Tauzin. He introduced the other officers in attendance, Vice president William Winnie, and Office Manager Susan Jessup. President, Ricky Tauzin introduced the association's attorney, Michael Gainer.

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We thanked Sarah Greer and Carolyn Boone for their help with the refreshments and the members.


Rickey Tauzin, President


William W. Winnie, V-President


Mary Rowe, Sec/Treas.

Minutes from Board Meeting
July 17th, 1999

William Winnie and Michael Gainer discussed closing and deeds. Michael Gainer and Carol McDonald are working together on getting deeds signed off. Discussed Tri-County's backhoe for private use, it was stated 3.0 minimum for \$150.00 and \$50.00 per hour there after.

Ricky Tauzin, Michael Gainer, and William Winnie talked about Association Insurance policy, Sarah Greer or Susan Jessup are to check into the insurance for general liability for backhoe and also auto rider.

Discussed lawsuit and getting property owners that do not have deeds try and get them. Ricky Tauzin signed the deed without warranty for the 611 lots. Susan Jessup notarized it. Ricky then signed the quit claim deed and Susan Jessup notarized it. Susan, Ricky, Will, and Michael discussed the 60 acre land tract in question as to where it is located.

There was a discussion about whom ever does the roads needs to submit a contract of description per Michael Gainer and have someone make sure nothing of importance is left out. Put in the contract a start date and also a completion date. Michael Gainer is going to draw up the contract he will have them 5-7 days after the bids are submitted. Michael needs to know who is doing the roads , and their insurance.

Had a lengthy discussion on how the roads are going to be put in. Get county Commissioner to come out and look at the roads to see what it will take to make them acceptable for the County to take them over (County Standards).
(the extra work).

How to escrow the money, County needs to do punch list. What can we do to save money for them and us. Need a release saying the subs have been paid. Michael will draw up that contract it will take about 3.0 hours.

Susan asked William about making Sarah Greer notary, he says there is no need to at this time. Rick Tauzin and William Winnie motioned, seconded , and voted Susan Jessup Authorized to sign and Release liens. Twyla Greer will notarize them for nothing.

Rick Tauzin requested a list of property owners delinquent at least 2 years or more.

Danny Jessup is going to purchase a new backhoe for about \$21,000.00, for association. Also a sprayer for about \$600.00.

In exchange for the old backhoe, Danny Jessup has to store the new one in his barn for 2 years, and makes the old one accessible if the new ones needs repairs.

Discussed the trading of lots in sections 7 and 8, up to sections 1-6. If the few people that have paid up go ahead and trade up and, close on the rest.

Discussed re-platting section 8 and make the tracts bigger. For shoreline tracts sell \$150.00 a ft.of shoreline.

Michael Gainer says we can start selling as soon as we receive the deeds. Give property owners due notice and they have to be current on their property owners maintenance fees. Michael discussed with us only going back four years of delinquency If they pay within 30 days from the date of the notice and void if they don't choose that option.

Get a bulletin Board and put it by the coke machine . Rick proposed getting a web page, he says get prices on them. Rick and William also request an evaluation on Sarah Greer for her

raise. Susan Jessup was given a raise in pay. Sarah Greers' probation period is up on July 24th 1999, and will be given a raise as well. Meeting adjourned.

John R. Hamk

Tri-County Point Property Owners Association, Inc.
P.O. Drawer 798
Palacios, Texas 77465
Tel.- (361)972-3998, E-Mail- tricounty@wcnnet.net, Fax- (361)972-0609

September 30, 1999

COPY

TRICOPPOA Members Only Auction,

As a result of winning our nine year lawsuit, our Association has become the owner of a sizable number of lots within the Boca Chica Development. After lengthy discussion, your Board of Directors was able to agree on a plan for disposition of these lots. The main points considered in the discussion were the following:

1. In taking action regarding the property, the Board has a duty to get the most we can for the lots.
2. The current property owners in good standing (all assessments paid current) deserve some form of compensation for all they have been through over the last nine years, especially in view of the decline of the value of their property.
3. Sections seven and eight present an additional problem, as the water and sewer service is not available. There are no plans at this time to resolve the water and sewer problem or to repair the roads in Section 7 or 8. The current owners in those sections should be given special consideration, as the original plan for the development included a commitment to provide those services.
4. We have a number of properties on the rolls of the Association which are delinquent, most for several years. Research with the County Tax Office shows the taxes are also unpaid. It would benefit both County and Association to have these properties become productive. Foreclosure may be an option in the future.

In considering the above issues, the most difficult part was coming up with a plan which provided some compensation to members in good standing while getting the most we could out of the lots we have available. The final plan is this:

1. Owners of lots in Section Seven and Eight will be given the opportunity to exchange their lot(s) in those sections for an equal number of non-waterfront lots in Sections One through Six. Anyone wishing to take advantage of this opportunity must do so between 9:00 AM October 11, 1999 and 5:00 PM October 25, 1999 by personal appearance or certified letter DURING NORMAL BUSINESS HOURS at the TRICOPPOA office. This will be strictly first come - first served, and no prior arrangements will be recognized. The member making the trade will be expected to pay all costs of transferring both titles, but there will be no other fees. This opportunity will be made available because the current plan is to delay indefinitely the development of these two Sections.
2. On November 20, 1999, at the Carancahua Community Center at 10:00 AM a closed auction will be held for all remaining unsold lots. Only those members whose assessments are

fully paid through 1999 as of 5:00 PM November 19, 1999 will be eligible to participate. Lots will be sold for a minimum bid of \$500.00 for all lots except waterfront, which will have a minimum bid of \$1500.00. All sales will be for cash, certified check, or money order only. Personal or business checks will not be accepted unless the member provides an UNCONDITIONAL letter of guarantee of payment from their bank to the Association manager by Noon October November 19, 1999. Buyers will pay all recording and processing fees, as is the normal case in any real estate transaction. All sales will be final.

3. All lots sold at this auction will be considered to have assessments paid through December 31, 1999.

4. All lots not sold at the auction will be made available to the public beginning the following Monday at 9:00 AM. It will be the continuing policy of TRICOPPOA to not sell to anyone who is a Boca Chica property owner and is not current in their assessments.

5. For all future sales, the prorated annual assessment will be due at the time of purchase. The assessment will be prorated as days remaining in the time of purchase. The assessment will be prorated as days remaining in the year divided by 365, multiplied by the annual assessment for that year.

6. The Association will work closely with County officials to resolve issues regarding properties which have both significant overdue assessments and significant overdue taxes.

The property manager will have a map showing which properties are available at the TRICOPPOA office during normal business hours. Members are welcome to inspect the map at that time, or by appointment at the discretion of the Association Manager.

This letter is being sent to all current owners in the Boca Chica development, regardless of standing, and is intended to be formal notice to all members. No other notices will be sent.

Title Policy	\$270.00 (optional but recommended)
Deed	\$125.00
Tax Certificate	\$14.00
Recording Fee	\$11.00

The Board

TRI- COUNTY POINT PROPERTY OWNERS ASSOCIATION
HC 2 BOX 283-1
PALACIOS, TEXAS 77465
(361)972-3998, Fax (361)972-0309, e-mail- tricounty@wcnnet.net

The 2000 Annual Meeting of the Tri-County Point Property Owners Association was held at the Carancahua Community Center on April 8, 2000. The meeting was called to order by the Vice-President William Winnie III, he introduced the other officers in attendance, Secretary/Treasurer John Hamrick, Office Manager Susan Jessup, and Assistant Manager Sarah Greer.

The minutes from the 1999 Annual meeting were read by William Winnie III, and approved as read by the membership.

William Winnie III opened discussion on what the Association was doing at which time Susan Jessup updated the membership on the progress of the boatramp (which was completed) also the progress of the roads. The County would like all the roads graded to specifications, and will be inspected later in the year for a possibility of being accepted by the Commissioner's Court as County maintained roads.

William Winnie III opened the floor for question's and answers.

A: How much it cost to hook up to sewer and water (\$900.00 for sewer and \$300.00 for water), both have monthly bills.

B: Building restrictions (which are different for each Section).

C: Maintenance fee's on multiple lot's which still remains at \$125.00 per lot owned.

William Winnie III also addressed Tri-County Point Property Owners Association By-Laws, and explained to the Members the possible changes to the By-Laws.

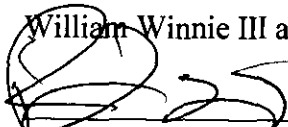
A: Auditing of the financial records by and external source.

B: Election of Board Officer's by the property owners in good standing (one vote per lot owned).


C: Board of Directors can use unsold lots for establishing a quorum at the annual meeting but cannot vote them.

The Board of Directors: President Rickey Tauzin, Vice-President William Winnie III, Secretary/Treasurer John Hamrick, will review the By-Laws and send out a revised Version.

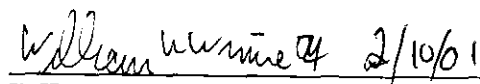
William Winnie III adjourned the meeting.



RICKEY TAUZIN,
PRESIDENT



JOHN HAMRICK,
SECRETARY/TREASURER



WILLIAM WINNIE III,
VICE-PRESIDENT