

**L.E.P.O.A. Lakeview Estates Property Owner's Association, Inc.**  
**2022 Annual Meeting**  
**Saturday, April 23, 2022**  
**Jackie Easter Park**  
**FINAL**

The meeting was called to order by Board President, Mike Crews, at 10:35am. Owners were thanked for the great turnout.

Two new owners (Kevin & Diane Minor and Brittany & Ryan Riddle) were present and introduced.

Kathleen Knolle, secretary, certified the Quorum (25 required). Present at that time in person or by proxy totaled 46. The final count was 48 per the sign-in sheet due to a few late comers. (33 in-person and 15 by proxy)

**Approval of 2021 Annual Meeting Minutes**

The minutes were reviewed with a request to approve. Mike Crews highlighted the following prior to approval:

- The Board's focus on expense management, Park improvements, liability & risk management, and ongoing relationship building efforts with the County Commissioner & associated work on Lakeview Estates Drive.
- The Balance Sheet totaled \$31k, up from \$25k at the 2019 Annual Meeting.
- Liability: To dissuade unauthorized use of the boat ramp, a cable and lock was installed across the boat ramp; one of the "Owner's Use Only" signs was moved to a more visible position and an additional sign erected that could be seen from the water.
- Restrictive Covenants: The Board received a letter of complaint regarding short term rentals in advance of the meeting, requesting the topic be added to the agenda. After discussion from the floor and a survey to gauge Owner views, the Board was instructed to undertake further work on a potential RC amendment to restrict short term leasing for a future vote. The short-term leasing survey results: 15 Allow, 24 Not Allow; 27 Yes to Board undertaking next steps to prepare an amendment for vote at the next annual meeting.
- The proposed RC amendment regarding animals, to clarify language on how many animals were allowed, did not pass.

Mike described that while 2021 Annual Meeting Minutes require Owner approval today, they were approved by the Board, circulated to Owners on June 23, 2021, and posted to the website for the public record. This is a practice we intend to maintain so Owners and interested members of the public have real-time access to the discussions affecting the community.

Tipp French made a motion to approve, Maaike Hamel seconded, and a show of voting sticks indicated approval.

### **President's Report**

Priorities entering the year were: Governing Documents review, parks improvement, and follow through on the commitment to bring forward an amendment to the Restrictive Covenants (RC) addressing Short Term Rental.

The Board worked hard to maintain the Association's good standing with the Secretary of State. A local attorney was retained to support this effort as legislative compliance has become increasingly burdensome. We are happy to report that we are in good standing.

Finances are in good order. Current balance sheet is \$34k compared to \$31k at our last annual meeting. The reserve account as of December 31, 2021, was \$31k and serves as a buffer for future unexpected large expense items.

Safety and security of the Parks was another focus of the Board. Improvements were made to the gate at Boat Ramp Park. At Bramlett Park, the bench by the water was rebuilt, thanks to Tom Grisham. The grass area near the bulkhead was cleared of the limestone rocks. The rocks were returned to the area just behind the bulkhead, secured with fencing allowing the improved mowing and access.

Regarding safety, Mike highlighted the slippery condition of the boat-ramp splash zone. NOTE after meeting – the splash zone has now been power-washed and the slip risk removed.

Some road improvements were made in the last two years, and we continue to build our relationship with the County Commissioner. A second grant will be submitted this month to potentially pave our road.

Looking ahead, Mike reported the bulkhead at Jackie Easter Park is experiencing some erosion that will need to be addressed. Also, the association needs to upgrade our website to allow cloud storage for important documents.

### **Treasurer's Report-Tom Patton**

- Profit and Loss Statement for January 1- April 22, 2022, showed total income of \$11,850 and gross profit of \$11,850. Expenses totaled \$2,878 leaving a net operating income of \$8,971. Total income was \$8,978.
- Balance Sheet as of April 2022 showed \$2,575 in the Operating Account and \$30,991 in the Reserve Account. Total Accounts Receivable was \$1,162. Total Assets were \$34,729. Liabilities totaled \$0 and Equity totaled \$34,729.

In an effort to mitigate rising costs, the transfer fee was increased to \$350, the maximum allowed by law. Our property tax on our parks has increased from \$110 to \$700. The parks were formerly combined into one property and now they are separately appraised

and taxed. Mowing expenses have increased, and the Insurance renewal premium is not yet known.

Tom called for a motion to approve the Treasurer's Report. Tom Grisham made the motion, Renee Crews seconded it and majority approved with voting sticks.

### **Old Business: Follow-up to 2020 Annual Meeting**

- Parks-Improvements were made at Bramlett Park near the bulkhead. Wave action pushed the limestone rock away from the bulkhead causing problems with mowing and walking. Due to the generosity of Norm Young, he provided labor to pick up and move the rocks back to the bulkhead. Fencing was laid down and secured. The identified walking and mowing hazards have now been removed in the grass area overlooking the water, and combined with the rebuilt bench, the area is more enjoyable – please take advantage of it.
- Lakeview Estates Drive-The Commissioner won the primary and we understand he will be unopposed in the November election. There is a FEMA grant submission that that has been delayed. A second grant opportunity is available. The county has hired a grant writer and we understand the application will be submitted at the end of April.
- Governing Documents-The Board retained an attorney to review our governing documents which were last professionally reviewed 2013. A Declaration of Governing Documents and Organization was approved by the Owners in 2014, which confirmed all actions taken by the association since incorporation in 1987, confirming compliance with the requirements of the Texas Property Code. Since that time, many changes have been legislated at the State level. We have completed the necessary requirements to comply with current Code and these will be posted on the website. Examples include an updated Management Certificate, Payment policy, Records Policy, as well as other working documents such as an Architectural Control Committee Procedure with accompanying guidelines and forms.

Be aware the Board does not have any oversight of boat houses or septic systems.

While our documents include provisions that are not consistent with current Code, the documents remain valid due to their severability clause, which preserves the overall document despite specific provisions being out of date. In this situation, the Code supersedes the documents. The Board is preparing documentation to capture these circumstances to ensure an accurate reading of the documents within the overarching context of current Code. This documentation will be maintained and updated going forward.

### **New Business: Governing Document Amendments**

#### **By-Laws: Board Member Term Length**

Mike Crews introduced and explained the proposed amendment to the By-laws that would extend the term length to three years for Board members. He described the

history of change in the number of Board members and noted that this term length change would improve the effectiveness of the Board by providing more time for members to exercise their experience and through improved Board member transition, training and handover. The planned voting for Directors at this meeting assumes the amendment will pass and is structured to accommodate the new term lengths.

He stated that bylaws amendments require approved by a majority of the quorum. Prior to the vote, Mike read the amendment. Following discussion, the owners were asked to wait to vote since the second amendment was on the same ballot.

### **Restrictive Covenants: Leasing / Short Term Rentals**

Mike described the background referencing the discussion and survey results from last year's Annual Meeting. There were strong views expressed at that meeting for allowing short term rental as well as prohibiting them. The Board was charged with preparing an amendment for Owner vote at this year's meeting following the discussion and results of the survey.

Our current bylaws are silent on leasing and in order to restrict short-term rentals, the Restrictive Covenants must be very specific on leasing provisions/restrictions.

The Board collaborated with an attorney with the goal of seeking a balance between introducing a new restriction and the community's expressed desire to limit restrictions.

The proposed amendment defines leasing, authorizes leases that are 90 days or greater, disallows subleases, includes a termination clause to prevent to the 90-day minimum from being circumvented, requires notice to the Association of rentals, and provides the Board with flexibility to take actions to penalize violations up to and including liens and fines.

After much discussion, the question was asked "why 90 days"? Mike said it was somewhat arbitrary, attempting to strike the balance discussed earlier, and Tom supplemented that the three months represented seasonal timeframes.

There was a question about Owners taking on more liability especially around the boat ramp even though guests have restrictions. Boat ramp use is strictly reserved for Owners.

Tom described that the current insurance renewal application included questions regarding how many short-term rentals are in the community; this was the first time we had seen this.

Mike asked the owners, when deciding on how to vote, to consider if they wanted a resort community or a residential community.

One owner asked for clarification on the amendment. Mike said “approve” means you approve the amendment to restrict leasing. “Disapprove” means you want to vote down the amendment and allow short term rentals.

Mike reiterated that an amendment to the Restrictive Covenants requires a majority of the property owners, or 32 out of 63.

Owners were asked to vote. The secretary and her helpers collected the ballots which included both amendments.

The initial count of ballots resulted in clear approval of the Bylaw amendment. Mike announced this and proceeded to the election of directors.

### **Election of New Board Members**

After describing the slate of officers based on the approved amendment, the floor was open for other nominations. There were none.

Owners were asked to vote. The secretary and her helpers collected the ballots.

### **Other Business**

Mike Smith said if anyone had emergency response issues, to please contact him.

One property owner asked what the situation was with the unfinished home next to Hammers. No one had information. NOTE following meeting – the Owners who are building the home in question were contacted and advised that work was ongoing, but they were experiencing delays related to pouring the slab.

### **Voting Tallies**

Kathleen Knolle reported that the election of officers was unanimous and there were no write-in candidates.

She reported that the amendment to the bylaws were approved overwhelmingly.

She reported that the amendment to the restrictive covenants was too close to call and that a recount would be conducted after the meeting.

Mike stated the recount would be audited and notification sent to Owners when complete.

NOTE post meeting: The recount following the meeting resulted in a majority of Owners approval of the amendment to the Restrictive Covenants. This result was communicated to all Owners on April 24, an audit of the result was performed on April 28, and the vote certified by the Board at a Special Meeting of Board on April 30, 2022. The approved amendment was registered at the San Jacinto County courthouse on May 2, 2022, at which point it became effective.

**Adjournment**

Betty Bough moved to adjourn. Tipp French seconded the motion. The majority approved with voting sticks.

The meeting was adjourned at approximately 12:30pm

Submitted by

A handwritten signature in cursive script, reading "Kathleen Knolle", is displayed on a light yellow rectangular background.

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Kathleen Knolle  
LEPOA Secretary

Date: May 7, 2022