

**Minutes**  
**Annual Meeting**  
**Quail Creek Homeowner's Association**  
**October 21, 2014**  
**Lakeshore Church**  
**5575 Hwy. 205**  
**McLendon-Chisholm, Texas**

The meeting was called to order by the Interim President, Robert Steinhagen, at 7:18 p.m.

**Item I. A. Roll Call & Establish Quorum**

The Interim Secretary, Glenna Brown, called roll from members who signed in and who had provided proxies and reported that there were forty-one (41) homes represented in person and by proxy. The Chair declared a quorum and welcomed all in attendance.

**Item I. B. Adoption of Rules & Decorum**

The interim President presented the Rules and Decorum and all present agreed to abide by Roberts Rules of Order and to conduct themselves in a professional manner, as presented in the Proposed Rules for Annual Meeting, which were distributed with the Agenda. There were no questions or objections to the Rules. Mr. Steinhagen reported the Casey Burley had surgery, the Packers are going through a family health challenge, and a homeowner reported that Mandy Parmally is also going through a health challenge. Steve Jordan opened the meeting with a word or prayer.

**Item I. C. Approval of Meeting Agenda**

Agenda was presented and approved by unanimous consent, and first order of business was to elect a permanent Chair (the Chair) for the meeting, following Mr. Steinhagen's explanation of the roll of the Chair of the meeting. The meeting Chair would be for the Annual Meeting only. Once meeting is over, the Chair will step down. The Chair shall be a balanced mediator throughout the meeting. Also, the Chair can speak on items if he steps down from Chair position, and if a Chair pro-tem is appointed to take over if Chair steps down during the meeting. Mr. Steinhagen announced that nominations for Chair can come from the floor. Mr. Steinhagen also explained that when the election of Board officers comes up on the agenda, nominations can come from the floor because the Board is not presenting a slate of officers, and that voting will be via ballots, furnished with the agenda packet. Board positions would be elected in the following order: President, Vice President, Treasurer, Secretary, Architectural Review Committee (ARC). Nominations were opened from the floor for the Chair, and Mr. Steinhagen was elected by unanimous consent. The Chair then appointed Glenna Brown as Secretary for the meeting. The Chair requested Debbie Smothermon to serve as Chair Pro Tem, should the Chair step down during the meeting. Mrs. Smothermon agreed to serve. The Chair also appointed Steve Jordan and Kristen Fuller as sergeants-at-arms.

## **Item II. Approval of Minutes - Previous Annual Meeting Held on February 10, 2014**

It was reported that the outgoing President and Treasurer will be replaced by the incoming President and Treasurer for banking purposes. Shana Nalls, HOA Treasurer, proposed one amendment for the minutes, which were accepted without objection. The amended minutes, were passed by unanimous consent.

### **Item III. A. Treasurer' Report**

Mrs. Nalls reported that the current budget was approved at the February, 2014 Annual Meeting. (Budget attached).

There is a \$1,271 difference between Budget and Actuals, represented by dues assessments. As of Sept. 30, there are six (6) dues not collected, and update provided that as of Oct. 21, three (3) of the six (6) had been collected. Additionally, dues are still outstanding from prior year for one (1) homeowner.

Mrs. Nalls reported a line item of \$712, representing insurance proceeds to the HOA from an earlier accident which occurred at the Quail Creek entrance. She also reported \$310 for board expense, with budget actuals being at \$23,198. There was no transfer made to capital expenses. The total amount in Capital Reserve is \$22,294.

Mrs. Nalls also reported there were unbudgeted legal expenses incurred in the 2014 budget and proposed a 10% increase in the annual dues, which would bring the 2015 dues to \$319 per lot. She also discussed the idea of setting aside \$1,000 for park improvements, as well as having a neighborhood garage sale to pay for park improvements. She also reported that there are two items that may be incurred in the 2014/2015 budget: 1) \$1,000 for park; 2) Horton Archibald legal fees amounting to \$2,955 (incurred by previous Board). She also recommended transferring \$4,000 to operating expenses or capital improvements for street improvements.

Mrs. Nalls asked if anyone had questions about the budget. A question was presented about increasing the dues, and she reported that per the By-Laws, the Board votes on dues increases. The budget was adopted by unanimous consent.

### **Item III B. President's Report**

Mr. Steinhagen reported that the interim Board has met four (4) times in less than 1 ½ months. An interim board was appointed due to the resignation of previous President, Vice President and Secretary. The Board has adopted a few Policies, including Records Production and Printing, Alternative Dues Payment Schedule, and Management Certificate. The Board is moving in the direction to make the By-Laws and CCRs clearer and in compliance with Texas Property Code. All governing documents and policies will be posted on the Quail Creek website. A draft of the By-Laws is posted on the website for review, but the document is not ready for adoption.

Mr. Steinhagen presented and read the attached "A Board Resolution of Fiduciary Commitment: Uphold Dedicatory Instruments" Quail Creek Homeowner's Association Board of Directors. He reported that the

interim Board has been acting under this resolution and it is the hope that the new Board will also adopt this resolution. Brad Peters, interim Vice President, presented the attached “A Board Resolution Regarding Anonymous Communications to the Board” which was adopted at the Board meeting on Oct. 14, 2014.

Mr. Steinhagen explained the 60-Day Ballot Initiative, which will be used for homeowners to vote on the amended CCRs. All members will receive a ballot packet and will vote anonymously and return their votes. Votes will be counted at a Board meeting. The amendments will be posted on the website, with changes being posted as members make the suggestions. The HOA must have a 67% consent to make any changes to the governing documents. Voters will have 60 days from when the ballot is delivered to send in their ballot. Opened ballots do not necessarily close the election. At the 60-day mark, voting stops.

David Hoyer and David Fuller, ARC members, reported on road repairs. Mr. Fuller met with a contractor regarding the front entrance for an opinion (no expenses incurred). Contractor said he would throw down asphalt (hot tar) on the cracks. Caulking the cracks is more expensive. The ARC is recommending that we get an estimate on hot tar/patching the cracks. Mr. Hoyer also discussed the drainage ditches and recommended all homeowner do a better job of maintaining the ditches and drainage in front of our homes.

Mr. Steinhagen presented the URL [www.quailcreekrockwall.org](http://www.quailcreekrockwall.org) (.com) as adoption for the official HOA website. The website should be up and running in a matter of weeks. The URL is interactive and gives us the ability to have email unique to the Board. When a new board comes in, history is preserved.

Mr. Steinhagen also discussed the idea of street ambassadors and requested that homeowners send in suggestions for this program.

He also discussed new homeowner welcome kits that would include current CCRs, useful numbers such as FEC, trash, water, and any variances to the established CCRs that might help new homeowners understand how one property may be different from others in the neighborhood.

#### **Item V. Motions from the Floor**

Motions can be made from the floor and will be voted on to see if members want to see motions on the 60-day ballot. At this point, Mr. Steinhagen stepped down to propose the attached resolution, “A Resolution for Responsible Use of a Motor Vehicle Inside the Quail Creek Subdivision.” Mrs. Smothermon called for a motion to place the resolution on the ballot. The motion was made and seconded and read by Mr. Steinhagen. Mr. Steinhagen would like to ask members to sign the Resolution. Bev Stibbens commented that the County will not come out to enforce 20 MPH speed limit due to expense. Jack Gwyn explained why speed bumps were put in on Quail Creek via special assessment. Ed Sauls asked how we reach out to members who do not attend the annual meetings or board meetings. Mr. Steinhagen said we should all respect the rules by not speeding. The motion passed by unanimous consent.

Mr. Steinhagen also proposed to add to the ballot initiative to amend the CCRs to allow “reasonable” signs outside homes. Mrs. Nalls explained that original intent was to prevent advertising signs at individual homes.

Mr. Hoyer asked about the 60-day ballot initiative. Mr. Steinhagen explained that any member can present an amendment and that the Board did not solicit amendments when it announced the Annual Meeting. Mr. Hoyer said amendments should stand for at least one year. Mrs. Smothermon asked to address Mr. Steinhagen's amendment.

Mr. Burzynski said that By-Laws should be amended to allow for members to submit amendments once a year. Mrs. Tish Bruckner seconded. Passed by unanimous consent.

Mr. Steinhagen presented another amendment to present to the membership to eliminate the restrictions on above ground pools. Discussion followed. A motion was made and seconded to vote on whether this amendment would be on the 60-day ballot initiative. This will be Item A on the ballot at this meeting.

Steve Jordan proposed to amend to CCRs Sect. 8.5 regarding boats and trailers and mentioned with previous boards there was "selective" enforcement. Homeowners like to keep their boats on their property and they do not reduce property values. He would propose some guidelines but has not crafted the amendment that would be on the ballot, but specified that the amendment would be lessened for boats. This will be Items B on ballot at this meeting.

Mr. Hoyer proposed a counter amendment to remove the 2-day storage of boats on a homeowner's property.

Mrs. Nalls proposed an amendment regarding storage of trash cans (sect. 7.5.E in CCRs). Motion passed by unanimous consent. This will be Item C on the ballot.

Mrs. Stibbens asked if properties that have been granted variances would be grandfathered with the new amendments and CCRs. Mr. Steinhagen stated that the statute of limitation is four (4) years for being grandfathered. Mrs. Stibbens mentioned that a variance follows the property.

Members voted on the proposed amendments. Mr. Jordan and Mrs. Fuller counted the votes and reported that Item B. to amend the CCRS regarding boats, trailers, and Item C. to amend the CCRS regarding placement of trash containers, would be on the 60-day ballot initiative for all homeowners to vote on, Item A, to remove the restrictions on above ground pools, did not pass and will not be on the 60-day ballot.

#### **Item VI. Officer Elections**

The Chair opened the floor for nominations for President. Mitzi Harker nominated Robert Steinhagen, and Mrs. Bruckner seconded. There were no other nominations. Mr. Steinhagen was elected by unanimous consent.

Three nominations were placed for Vice President: Jack Gwyn, Brad Peters, Debbie Smothermon. Nominations were closed with no other nominations.

Mrs. Nalls was nominated for Treasurer and was elected by unanimous consent. Glenna Brown was nominated for Secretary and was elected by unanimous consent.

Members nominated David Fuller, Ken Daulong and David Hoyer for the ARC. Nominations were closed with these three nominations.

Members voted on Vice President, and Brad Peters received more than 50% of the votes and will be the 2014/2015 Vice President.

**2014/2015 Elected Officers will be:**

Robert Steinhagen, President

Brad Peters, Vice President

Shana Nalls, Treasurer

Glenna Brown, Secretary

David Fuller, David Hoyer, Ken Daulong – Architectural Review Committee

**Item VI – Member Comments**

Mrs. Smothermon thanked Mr. Steinhagen for the meeting preparation and for pulling everyone together during the period of the interim board. Mr. Hoyer inquired if anyone is interested in pitching in for a bulk trash dumpster to be set for use by homeowners during a weekend. Some homeowners indicated interest. Nothing was definitively decided about this issue.

The meeting was adjourned at 10:18 p.m.

Respectfully submitted,

Glenna Brown

Appointed Secretary of Annual Meeting