

**Exotic Isle Homeowners Association**  
**Board of Directors - Meeting Minutes**  
Tuesday, November 28, 2023  
<online meeting>

**Board Members Present:**

James Shelton, President  
Travis Pace, Vice President  
Duncan McKeever, Treasurer  
Jay Hughey, Secretary  
Caryn Arnim, Board Member  
Bob Pitts, Board Member  
Michelle Roger, Board Member

**Association Members Attending:**

Sam Skipper  
Mike Zabransky

**I. Quorum:**

- **7/7 Board Members participating**
- **4/4 Directors represented**

**II. Call to Order:**

- Meeting was conducted online via Zoom. Call to Order by James Shelton at 6:02 pm.

**III. Treasurer Update:**

- Duncan McKeever briefly reviewed financial statements, dated 10-31-23 including Profit & Loss, Balance Sheet YTD Comparison and, A/R Aging Summary. Current bank balance is approximately \$47,800.
- Duncan reviewed the status of the SBA loan, specifically noting that adjustments were required to accurately reflect attributions of payments to principal versus interest balances noting that accrual assumptions to date used by EIHOA were not in alignment with SBA loan accounting rules. Duncan stated that an adjustment to the remaining balance for interest on the loan in the amount of an additional \$26,329 was necessary and has been made to reconcile the accounting records to accurately reflect the outstanding loan obligations.
- KNNL Accounting has completed its effort to reconcile QuickBooks records with Prosperity Bank EIHOA Operating Account resulting in a reconciliation for a nominal discrepancy of \$150 for the preceding year. The comparative reconciliation effort did not include the Reserve Account at this time.
- Duncan reviewed several issues with regard to expense allocations recorded previously for caretaker compensation and for reimbursable expenses as recorded. The specific items included various entries for reimbursement of out of pocket payments for labor made to Vernon and to David as well a few reimbursements for purchases of equipment parts and supplies. The items were discussed briefly and allocation for those items in question was sufficiently clarified. Duncan made a motion to approve reallocation of items to reflect the clarifications as discussed. Jay Hughey seconded the motion and the motion was approved by unanimous consent of the Board Members present.

#### IV.

##### Key Discussion Items:

- Road Access Update: NRG sale negotiations with STP are ongoing. City of Austin is possibly objecting to the deal and may be moving to block the sale to NRG. It is important that EIHOA continue to remain quiet on the road issue until negotiations are resolved. An update from our attorney, who is in contact with the general counsel for STP, suggests that discussions with NRG may be more successful versus continued efforts with STP.
- Tram Repair Update: We are still looking for a qualified and sufficiently insured electrical contractor to make repairs to the electronic controls and to replace the antiquated electrical power fuse box. Henderson steel fabricators Bay City is capable and willing to produce the necessary steel fabrications for structural steel repair and corrosion remediation; however they are not able to do the steel installation on the towers. They are currently reaching out to help us find adequately insured installers capable of completing the field work. It is anticipated that electrical repairs will be complete early in 2024, well before tower repairs can be completed. Currently the tram can operate normally from Selkirk to the island but travels extremely slowly on the return trip from island to Selkirk.
- Barge Update – (repairs, landing, add'l boat):
  - Efforts are under way to find a 2<sup>nd</sup> boat in addition to the Barge to facilitate island access and egress. Though a boat was found to fill the need, upon further inspection it was found to have a bad motor. James, Bubba and Tim Munoz are continuing to look for a suitable craft to serve as a 2<sup>nd</sup> boat.
  - Repairs are needed to the bulkhead walls at the Island Barge landing. Several crucial elements, such as whalers, top casing boards, tiebacks and other structural elements are missing, failing or in poor enough condition such that repairs are needed as soon as possible. Trey Wenzel, of Docks, Decks and Bulkheads, has prepared an estimate for the repairs totalling \$14,730 with an additional cost of \$5,800 to upgrade the materials from wood to a composite material with significantly greater durability and longer life-span. Cost for the necessary repairs require additional funding beyond that available from our annual budget, therefore an assessment to association members is necessary to complete the repairs. Duncan has developed an assessment calculator to account for the distribution of assessed expenses amongst the member based on individual Owner property holdings and will be used henceforth for that purpose. James Shelton moved to accept the Barge landing repair proposal including the upgrade to composite materials and to impose an assessment on EIHOA members for the cost. The motion was seconded by Jay Hughey and was approved by unanimous consent of Board Members present.
- Other Repairs:
  - Tractor Repairs: a new electrical harness and electrical fuse block are needed to prevent additional future problems with operation of the tractor.
  - Ring Road Repairs: New road material is needed to low spots in several trouble spots along the island cart path. The road has not received any road material repair since that following Harvey and the problems are accelerating. The areas in need of improvement include portions of the road at the south end, areas near to and adjacent to the barge landing intersection, areas in front of the Huerta residence, Hughey residence, and between Pace and McKeever residences. There are additional low spots along the ranch access road straight away section and other portions of road in the wooded area between the two STP gates that need additional fill. The material is trucked in and costs between

\$1,000 and \$1,600 per truckload delivered. Distribution of the material on site can be done with the tractor and in-house labor or can be contracted separately. It is estimated that 3-5 truckloads of material will be needed to make the necessary repairs. Quantity will vary depending on site conditions and the extent to which repairs are deemed sufficient, especially with regard to portions of the ranch road. Caryn moved to approve ordering the road fill material. Jay Hughey seconded and the motion was approved by unanimous consent of Board Members present.

- **EIHOA dues Collection Policy and other HoA Policy:** Delinquent notices and other such mechanisms of dues Collection are governed and prescribed by Texas law and statutes. EiHOA has, in the past issued such legal notifications through our attorney, Chris Hanno, and have been in compliance with state requirements thereby. Duncan noted that recent changes to statutory law require that we prepare written policies available to advise members of these requirements and the association's responsibility and intention to enforce them in the collection of dues and other expenses and/or fines and penalties pursuant to association business. Duncan will pursue further consultation with our attorney to clarify the specific requirements and documentation if required to ensure our continued compliance with state laws. Similar questions have arisen regarding written policy defining specific rules and regulations relating to the use of common areas. These issues will be included in the consultations with our attorney.
- **Architectural Review Committee (ARC):** Caryn Arnim will work on development of community development guidelines for review by the Board. An Architectural Review Board needs to be formulated in compliance with statute and may require adjustment to membership on the board if an exception for community size less than 20 is not achievable.

**V. New Business:** A certified letter has been received from an attorney from Sam Skipper regarding his alleged complaints against the association. Attorney Brad DeLuca will contact Mr. Skipper's attorney in pursuit of the matter and advise the board accordingly. Board members are advised not to discuss the matter with Mr. Skipper until further notice.

**VI. Adjournment:** A motion to adjourn was seconded. Meeting adjourned at 7:42 pm

Jay Hughey, Secretary, EiHOA Board of Directors

Date: February 12, 2024