

**Minutes of the Regular Meeting of
The Board of Directors of the
Mystic Shores Property Owners Association
September 16, 2011**

The regular meeting of the Board of Directors of the Mystic Shores Property Owners Association, a Texas nonprofit corporation (the "Association"), was held at the North Shore United Methodist Church, 23880 North Cranes Mill Road, Canyon Lake, Texas 78133-0016, pursuant to call by the President of the Association.

Directors Present: Gayle Oglesby, Anne Teeling, Paul Conner and John Lasater.

Directors Absent: Jim Parkhill.

Also Present: Steve Brown of Association Management Services.

Call to Order: The meeting was called to order at 10:00 a.m., with the President being in the chair and the Recording Secretary present. The President determined that there was a quorum present.

Approval of Minutes: The minutes were presented from the regular June 17, 2011 Board meeting. There were not any corrections to the minutes and the President declared the minutes approved.

Financial Report: Mr. Lasater reported that per the financial statement through August 31, 2011, the Association had revenue of \$639,959, and expenses of \$392,600, which leaves a net of \$247,360 for the remainder of the year. There is currently \$628,813 in reserves with \$129,213 being noted as Unit 21 reserves. A copy of the financial statement and balance sheet will be kept on file with the Association records. The Association has CDs which have matured and the Financial Advisory Committee has made recommendations for reinvesting these funds which will be considered under New Business.

Accounts Aging: Mr. Brown explained that the March financial report indicated fifty-four (54) delinquent accounts. Forty (40) accounts are at the attorney's office for collections, one (1) account is in bankruptcy, seven (7) accounts are under \$100 (car decals, prorated dues for boat storage, etc.), one (1) account is in an active payment plan, and five (5) have received final notice from the Association. It was summarized that the delinquency rate continues to decline, down to 2.35% from 3.26% at the last Board meeting.

Architectural Control Committee (ACC): Mr. Conner, Board liaison, reported for the committee. The ACC currently has 13 volunteer members and is working on a total of 69 projects, including 23 homes under construction, 34 improvement projects and 12 landscaping projects. Mr. Conner, as Board liaison and acting chair, has developed a training guide and conducted training for 10 new members on July 12.

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Communications Committee: Sharon Russell, chair, reported for the committee. It was reported that two new members were recently welcomed to the committee. The committee is working on its 2012 budget.

Website: The website has undergone many changes recently, including: the DCCR's have been checked and any missing amendments have been added, the revised fine schedule has been posted, the Board minutes are now better organized, Bluegreen office documents have been posted, the FAQs have been updated, links are being updated, the revised ACC Design Guidelines will be posted upon Board approval, river park and Nature Preserve maps have been posted, and the email blast program has been updated. The committee is contemplating an Internet provider change, and will be reviewing the webmaster's contract.

Other items mentioned included that the newsletter continues to improve, and that the directory update sheet will be opened online for a 2012 directory.

Conservation Committee: Mr. Oglesby reported for the committee. It was reported that the chair had resigned due to work commitments. A new chair is needed for this committee. If no volunteers are forthcoming then this committee may be dissolved.

Maintenance Committee: Carolyn Besselman, chair, reported for the committee. A copy of the report provided is attached as Exhibit A to these minutes.

Neighborhood Watch Committee: Randy Robertson, chair, reported for the committee. National Night Out is October 4 this year and was discussed at the most recent meeting of the committee. The event will be from 6-8 p.m. at the Lake Park Pavilion. Deputy Paestrano with the Comal County Sheriff's Department, and fire fighting and EMS representatives will be present. No new information has been received on the most recent break-ins. Mr. Oglesby mentioned that there were two separate instances of vandalism, one at each pool, recently. No severe damage was noted, they were basically nuisance crimes.

Social Committee: Anne Teeling, Board liaison, reported for the committee. There currently are 16 committee members and there have been two recent mixer events sponsored by the committee: (1) July 8, a presentation on Oak Wilt was given, and (2) September 9, a program on ground water conservation was given. Future events being planned include the National Night Out event with the Neighborhood Watch Committee, and a children's Halloween event on October 29. Anyone wishing to volunteer to help out with either event was encouraged to do so.

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A special thank you was provided to:

- Myra Stewart, who arranged the speakers for the last two events;
- Pat Ermel for keeping minutes of meetings and the member roster;
- Karen Stacy and Nancy Hanley for being the lead organizers for the upcoming Halloween event; and
- Pam Underwood for being the committee lead on the National Night Out event.

Management Report: Mr. Brown reported for the Association. There is no active litigation against the Association at this time. There are four cases pending with the Association attorney for covenant violations, and one inactive case.

Current violations on the tracker include:

- Brush piles - still on hold due to the burn ban and current drought conditions.
- Two failures to timely remove builder signs.
- One illegal for sale sign.
- One home appears to have been abandoned. This issue is currently being researched.
- Five miscellaneous trailers stored on property.
- Two lighting issues.
- One resident parking vehicles in their front yard.

Management continues to work with the various committees, but primarily the Maintenance Committee, to help obtain bids and complete work as approved by the Board of Directors. Work has begun on the 2012 budget. Management hopes to have an initial discussion budget ready for distribution next week. An update of the reserve study has been ordered as per Board direction.

UNFINISHED BUSINESS:

Pending Maintenance Items: Mr. Oglesby reported that the crack at the Dodder pool is in process of being repaired. The Maintenance Committee is currently working on a recommendation to the Board for a cover for the Lake Park well pump house. The committee is also considering a lock for the tennis courts due to damage being incurred from what appears to be outside guests at parties.

Bluegreen Sales Office: Mrs. Teeling reported. There has been little movement since the town hall meeting with residents. The Board has requested a meeting with Bluegreen, and the attorneys for both sides have spoken. Our attorney has advised that, while there are no guarantees in any litigation, he believes we have a good case for the Bluegreen lot being subject to the Unit 7 DCCRs if it becomes necessary to go to court. It was noted that before any final decision is made by the Board, additional property owner input will be sought.

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For Sale Signs: Mr. Oglesby reported that the Board had received input from some realtors about for sale signs. The Board is currently considering some changes in what will be allowable in Mystic Shores. Once a format is decided upon it will be included in the proposed Architectural and Site Design Guidelines ("Design Guidelines") changes for comment by property owners.

NEW BUSINESS:

Litigation Report: Mrs. Teeling reported for the Association. There are three types of issues that typically would involve the Association attorney: (1) collection cases, which have been contingent fee based in the past, but cannot be any longer effective January 1, 2012, (2) covenant violation cases, and (3) legal advice to ensure that the Association is responding and acting appropriately on all issues. Recently, the Association filed suit against an owner after one year of trying to work with the owner to prevent a commercial business being operated on a Mystic Shores property. Mrs. Teeling noted that additional information regarding current litigation and legal expenses has been included in the October newsletter, which is available on the Association's website.

CD Proposal from Treasurer: Mr. Lasater stated that recently two CDs expired and needed to be reinvested. A handout was provided to the Board with a plan to reinvest the monies in CDs with a new financial institution (see attached Exhibit B). Upon discussion, it was moved, seconded and approved to follow the recommendation of the Treasurer; motion passed unanimously. Mr. Brown stated that sometimes the current financial institution will match rates if given the chance, and asked if the Board would entertain keeping the funds where they are if the rates could be matched. All were in agreement that if the rates could be matched to leave the funds in the current financial institution.

Lake Park Pool: Mr. Oglesby offered that a thoughtful request was received from a group of owners asking if the Lake Park pool could continue to be open through the end of September. The Board had previously extended the Lake Park pool hours through September 18. Upon discussion the Board of Directors decided to allow the Lake Park pool to remain open until the end of September, with the hours of operation being changed to 12 p.m. to 6:00 p.m. daily, beginning September 19.

Peninsula Agreement Ratification: Mrs. Teeling advised that the Board had recently become aware of an agreement executed on March 15, 2010 between our Association and the Peninsula Property Owners Association ("Peninsula POA"). The purpose of this agreement was to transfer control of three Peninsula units to the Peninsula POA. Although this was the original intent of the developer, it was not done correctly prior to Bluegreen's transfer of control of both Associations. A prior Board, upon advice of legal counsel, sought to resolve this issue by executing an agreement transferring control of the Peninsula units to the Peninsula POA, as originally intended. Under our Association's By-Laws, unless otherwise approved by a Board

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resolution, two signatures were needed by officers of the Association for this agreement and only one officer signed the agreement. Mrs. Teeling proposed that the Board ratify the March 15, 2010 agreement in the event anyone questioned whether it was properly executed. A motion was made to adopt the resolutions attached as Exhibit C to these minutes, the motion was seconded; and the motion carried unanimously.

Boat/RV Storage Facility: Bill Kortlang provided the report. Mr. Kortlang stated that the current usage fees for the facility are being examined. The facility is currently around 70% full, and has about \$5,000.00 in revenue over expenses for any unforeseen issues. The waiting list is currently being evaluated as he has found that several names on the list no longer wish to be on the list, and the newly ordered reserve study should help indicate whether the current fees are in line. He is also considering a recommendation to the Board to expand the covered spaces in the middle of the facility. Mr. Oglesby stated that if expansion is considered, reserve funds will not be used for expansion.

Feral Hogs: Mr. Oglesby reported that groups of feral hogs have been seen recently, and have done some damage to the North side of the main entrance. The Board is concerned that damage may increase. This is a subject that would make a good topic for a town hall meeting. Texas Parks and Wildlife will be contacted for advice. It was pointed out that discharge of firearms in Mystic Shores is prohibited, and bow hunting is only allowed on tracts exceeding 10.01 acres. Residents were discouraged from taking matters into their own hands.

Maintenance Committee Recommendations: Mrs. Teeling provided that maintenance of the fencing fronting Highway 306 has been questioned. The developer installed the fencing, but a question arose as to who owns the fencing and has to maintain it. Upon researching the matter and confirming her analysis with the Association's attorney, she has determined that the fencing belongs to the individual property owners, however, the Association has a right under the DCCRs, but not an obligation, to maintain the fencing. Due to the high visibility of the fencing, and the fact that all Mystic Shores lots that front the highway have this fencing installed, the Maintenance Committee has recommended that the Association budget for and maintain this fencing. The Board of Directors concurred with the committee's conclusion. Upon discussion it was moved, seconded, and unanimously approved to budget for and maintain this fencing along Highway 306 in the future, and to include some small areas that front Cranes Mill Road and Astral Point that were also installed by Bluegreen; motion unanimously carried.

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Design Guidelines: Mr. Conner provided that the Design Guidelines can be corrected, amended or modified by the Board. The ACC and the Board will be working on proposed changes to the Design Guidelines, which will be posted on the Association's website for a comment period during which property owners may send comments to the Board. Proposed changes likely will include changes related to requirements for:

1. builder and for sale signs on lots with occupied or under construction homes (for sale signs will continue to be prohibited on vacant lots),
2. water wells,
3. prefabricated accessory buildings on skids (where such buildings are permitted by the DCCRs),
4. correcting an error in the fencing section which is a carryover from Bluegreen, and
5. a fencing proposal to be presented later in the meeting.

It was stated that the Design Guidelines supplement the DCCRs, and do not replace or supersede them.

Architectural Control Committee (ACC) Reorganization: Mr. Conner provided that he had notified the Board on August 19 that he no longer wished to be the acting chair of the ACC, as he has been for over six months, and that September 14 would be his last meeting as acting chair. No one person wanted to chair the committee moving forward. For reasons of efficiency, the Board has discussed that having one chair is not feasible due to the current and expected ACC workload and has determined to appoint team leaders for the North and South units to divide the workload. Vivian Miller has agreed to be the North team leader and David Simpton has agreed to be the South team leader. They intend to rotate meetings on North and South projects and have the entire committee meet at least once each month to discuss joint issues and maintain consistency in applying the DCCRs and Design Guidelines as applicable to each unit. The current plan also calls for Board members to attend ACC meetings on a rotating schedule so that the Board is better informed about the ACC workload and challenges. The Board also is asking management to provide additional assistance to the committee during normal business hours to assist with managing the increasing workload.

Property Owner Presentations:

Vivian Miller: Mrs. Miller expressed that she is a representative of the ACC, but that she was talking as a property owner at this time. She spoke of a fence recently approved by the ACC in Unit 4 belonging to Mr. Conner. It was her contention that an April 1, 2009 amendment to the Unit 4 DCCRs, executed and filed by the developer, was incorrectly worded. It stated that the first 100 feet of fencing must be pipe fencing. Prior to this amendment the developer would only approve fencing that was pipe rail along the whole front and one hundred feet down each side. What was written in the amendment was clearly against what was previously the norm. The

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fencing in question, based on the amendment, is not in violation of the covenants, and therefore was approved. The same potential conflict is apparent in Units 2, 8, 12, 14, 18, and 20. This picking and choosing interpretations is causing conflicts and needs to be corrected. The Board is being asked to amend the Design Guidelines to require (1) pipe fencing along all roadways and at least one hundred feet down the sides of all lots in units on the North side of Highway 306, and (2) such fencing to be a minimum of four and a half feet tall and not to exceed six feet in height, as believed was intended by the developer. It was felt that this would preserve the original intent of the covenants that the developer was approving while still in control of the ACC.

Nancy Rodriguez: Mrs. Rodriguez wished to address the recently installed fencing located on Mystic Parkway. The fencing in question belongs to Mr. Conner. Mr. Conner was quoted from a previous meeting where he stated: "the ACC if not done correctly causes problems for years to come." Mrs. Rodriguez stated that she has just installed a pipe rail fence around her whole property, and had sent a letter to fourteen other owners that had the same type of fencing installed on their property. She presented to the Board letters from these fourteen owners supporting Ms. Miller's fencing proposal. She recently requested a copy of the fence plan submitted to the ACC by the Conners. She contends that this fencing should not have been approved by the ACC, should be corrected, and that the Conners should take down their backyard habitat sign. She has also requested that Mr. Conner resign from the ACC and the Board.

Mrs. Teeling offered that the Board does not believe that Mr. Conner's authority was abused as he followed the process for obtaining ACC approval of his fence prior to construction and also made the Board aware of his submission prior to approval. Mr. Oglesby added that although he does not believe Mr. Conner's installation of the fence to be in good judgment, it follows the letter of the DCCRs as written and he therefore supported Mr. Conner's right to do so.

Clay Blanton: Mr. Blanton expressed that there are two thousand plus owners, some five hundred homes, all with varying opinions. He believes that the vast majority appreciate the work of this Board. The Board tries to address its decisions community wide. Mr. Blanton felt that an issue should be addressed, and not be directed at any one person. This then makes a decision easier to obtain and all may benefit from the ultimate solution.

Michael Gookins: Mr. Gookins expressed several thoughts as follows:

1. Community comments should be included in the minutes. The Board responded that comments will be summarized in the minutes as has been done in the past.
2. Each Board member's vote should be noted and included in the minutes so that the membership knows how each Board member voted.

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3. The consent forms on the website are confusing and need to be re-named. These are Board actions, and this needs to be communicated to the membership. Mrs. Teeling responded that the “consents” are unanimous written consents as each one is titled and they have the same effect as resolutions adopted at a Board meeting.
4. The Board meeting minutes should be provided in a summary format and sent to the members. Mr. Oglesby responded that minutes are posted on the website, interested owners can attend the open meetings and email blasts are used as the Board determines appropriate. Mr. Oglesby stressed that the Association relies on the personal responsibility of its members to be involved enough to read the rules and records and to attend the meetings if they wish to understand what is going on.
5. Splitting the ACC into a north and south side does not bring the community together.
6. He believes that the Design Guidelines cannot be more restrictive than the DCCR’s, they can only supplement the DCCR’s and they can only be amended, not rewritten. He opposes making the Design Guidelines more restrictive for fencing. Mrs. Teeling responded that the DCCRs expressly permit amendments to the Design Guidelines, which means that they can be changed. “There shall be no limitation on the scope of amendments to the Design Guidelines; “7. There are two different fines lists, why? Mrs. Teeling responded that there is a fines list for ACC issues included in the Design Guidelines and one for covenant violations. Mr. Gookins replied that they should be more appropriately named or combined.
8. There are multiple copies of the Design Guidelines which have been amended over time. All of these documents should be combined with the amendments written in so that there is historical data as to what may have changed.

Juliane Cavazos: Mrs. Cavazos took exception to “new rules” banning items such as children’s toys, etc., being left out in front yards. She stated that this is not a retirement community, and the Board should not be concentrating on such trivial things. Mr. Oglesby responded that no such rules have been added to the DCCR’s, and that in fact the Board does not have the authority to add rules to the DCCRs without approval of 2/3 of the property owners. Mrs. Cavazos displayed a copy of the Association’s fine schedule and was corrected by Mr. Oglesby who explained that what she was referring to was a fine schedule implemented over a year ago as an enforcement tool for the Association. Mrs. Cavazos reiterated that the Board was too concerned with trivial issues. Mrs. Teeling responded that the fines list is not new, no letters have been sent for toys and no fines have been issued for such an offense to date. Steve Brown of AMS verified that to date, no property owner has ever paid a fine for an offense.

Debby Stanley: Mrs. Stanley questioned why a Board member was allowed to have materials stored in her yard. Mrs. Teeling responded that her husband had been working on a deer blind for his deer lease and had promised to move the materials soon. Mrs. Teeling requested that management send her a courtesy notice regarding these materials.

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Bruce Underwood: Mr. Underwood stated that he had two questions as follows with regard to the fencing at the Conners:

1. Why did the ACC approve the fencing? The Board responded that Mr. Conner's fence is not in violation of the DCCRs or Design Guidelines.
2. Why did the Board support the decision? The Board responded that the ACC process was followed and correctly done.

Mr. Underwood stated that in the amendment there clearly appears to have been a typographical error that needs to be corrected.

Coco Brennan, ACC member, stated that many fences were looked at when Mr. Conner submitted his fence plan, and the amendment was examined as well. The ACC cannot deny the request if it is within the covenants as written.

Daniel Oakes: Mr. Owens stated that Unit 4 is being held now to a different standard than previously. He believes the covenants were not well written. Any current planned changes should be suspended, and the Association should go back to basics for a common vision for the North and South. He then chastised the Mr. Oglesby and Mrs. Teeling for being condescending to Mrs. Cavazos during her presentation.

Paul Conner: Mr. Conner relayed that he and his wife put up a gate originally. A fence was considered because hog damage was incurred in the past. The fencing installed was chosen to keep both deer and hogs out. They have six hundred feet of front fencing along a 17 acre tract. The fencing was moved sixty feet off of the roadway, and the posts were painted black. Mr. Conner stated that he is sorry that some do not care for the fence.

Natalie Jones: Mrs. Jones inquired as to why the meetings are held at 10 a.m. Could the Board do something to enable better attendance? Mr. Oglesby explained that the Board had attempted monthly meetings, evening meetings, and a change of hours with absolutely no impact in the number of attendees, which averaged between 12 and 20 people. Mrs. Jones also asked what would be the procedure for forcing a resignation of a Board member? Mr. Oglesby responded that a Board member cannot be forced to resign. He suggested that perhaps a petition with a significantly large number of signatures could persuade a Board member to resign, but that they cannot be forced to do so. Mr. Oglesby also offered that it would take a much smaller number of signatures for him to step down. He went on to explain that a certain small, but vocal group of individuals in the community are creating an environment in which no rational person would volunteer to work on the Board. Mr. Oglesby asked the attendees to more fully support any future Board volunteers so that we may continue to make Mystic Shores an exceptional place to live and play, and allow the board to do the work they were intended to do.

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Anne Teeling: Mrs. Teeling made a motion that until the Design Guidelines changes are completed, any fencing plan submitted to the ACC on the North side that would not be pipe rail fencing along the front roadway and at least one hundred feet down each side will be referred by the ACC to the Board of Directors and denied; motion was seconded and carried unanimously.

Rick Greene: Mr. Greene asked what the process would be moving forward on the fencing issue raised at this meeting. The Board stated that, as previously noted, the proposed changes to the Design Guidelines will be posted on the website and property owners may comment prior to Board action.

Pat DiBernardi: Mr. DiBernardi stated the Board of Directors is not appreciated enough for their volunteer efforts. The membership should appreciate their efforts and recognize their commitment to the community.

Next Board Meeting: The next Board meeting will take place on December 9, 2011 at the church.

Adjournment: There being no further business, the meeting adjourned at 12:51 p.m.

/s/ Steven H. Brown
Steven H. Brown, Recording Secretary

Exhibits

Minutes
September 7, 2011
Maintenance Committee

Introductions were made to new members of the committee. We now have a strong committee consisting of eight members.

Carolyn Besselman/Chairperson	Dennis Deeny	Mary Reid
Jerry Besselman	Bob Baron	Bud Templin
Clay Blanton	Dan Gayle	John Lasater/liason
		BOD

New HOA laws were discussed.

Carolyn updated the committee with all items that have been dealt with or are being dealt with since last November/2010.

Christmas lights need to be ordered. Bill Kortlang received some bids. Carolyn can get all lights needed for no more than \$1000.00 through Hobby Lobby. All wreaths have been bought and are currently stored at The Besselman's house.

The South fountain needs to have its own valve that is not connected to the irrigation system/AMS has been asked to have this done.

There has been 'hog' damage to the North entry. This was taken care of on 9/9/11. Durascapes was also asked to reset the sprinkler system to come on in the early morning hours rather than the middle of the night. On 9/12/11, sometime during the night, there was minor 'hog' damage again to the same area. The sprinkler system had been running again. Clay Blanton talked with Frank Bass and he is going to change the system to come on at 2:00 a.m. It has to come on that early because it takes so long to water all areas. It has been coming on around 10:00 each evening.

The tennis court is becoming gouged in spots due to skate-boarders, etc... The committee recommends that the BOD/Management Company consider putting in a Simplex lock with code for homeowners. People could still get in, but this would help cut down on damage being done when there are parties at the pavilion. One net needed to be replaced and when checked on 9/9/11, the new one was up.

A sign for the South pavilion needs to be approved and put in place soon. It would be one a bit larger than the burn ban sign and attached to the pavilion with the following information:

All parties MUST dispose of trash properly.
Trash must be in garbage bags and disposed of in large bins.
Do not leave bags on the ground as animals tear open the bags.
Leave a large rock on top of each bin before leaving.

1. The committee also recommends that something be added to the rental agreement that people sign when renting the pavilion that states that they will be held responsible for any damage to the tennis court or basketball area also.
2. Another sign could be added to the tennis court area also, that states:

ABSOLUTELY NO SKATEBOARDING, DOG WALKING
BICYCLES, MOTOR VEHICLES, ETC. IN TENNIS COURT

We appear to be buying quite a few flags each year due to high winds. The committee would like to see if we could buy them in quantity and possibly get a discount this way. This has been turned in to AMS already.
We currently need to purchase one U.S and one Texas flag *

Bids were discussed for the window enclosures at the South pool area.
The committee would like to have two valves installed there to completely turn the water off to the lakepark area/ one low valve to drain pipes. Two committee members will be assigned to go and shut everything off should a freeze warning be imminent. They would also put signs up stating that the water is shut off at that time.

The committee also recommends that locks be put on the outside restrooms so that when the water is turned off, that these can be locked. This has been turned in to AMS.

A question was brought up by a committee member regarding the liability of our pool workers. An incident came up where they had to get a snake out of the pool. What is the liability for something like this? Answer: We already carry 'workers comp'.

Lights are currently out (as of 9/9/11) at the following:

Mystic Blvd. and Mystic Parkway medians all need to be checked. There are several lights out both on Mystic Pkwy. And Mystic Shores Blvd.

Lights at the trees on Starling Pass were out on 9/11/11.

Two trees at the South entrance on the side where the office is

North entry mailboxes have lights out. Only the two middle ones on each side should be out all the time.

One of the lights at the South large entry monument needs to be lifted a bit higher. The bushes are covering it.

AMS has been asked to provide a flag pole key to the Maintenance Committee, so that we can have the ability to lower flags when necessary.

Electrical boxes need to be put in at the South and North entries in order to put Christmas lights in. AMS has been asked to have electrician contact Carolyn when he comes out to bid, so that we can also see what the bid would be on electrical for the North Pavilion at the same time.

Rio Central is requesting a light be put on the top of the column where the key pad box is. Even though the key pad box lights up, it is still very dark there. This can be bid along with the rest of the above.

A request was made for the Maintenance Committee to explore bids for two swim ropes for the South pool. AMS received a bid for around \$1300.00. This included having to jackhammer into the sides of the pool to put hooks for the ropes. The committee voted 7-1 not to recommend ropes at this time.

The committee is still discussing options for the well pump area at the South pool and should have a decision on this within the next 5 days.

The fence repainting issue on 306 was discussed. The committee feels as a whole that we as a community should do whatever is necessary to maintain the community-wide standard of Mystic Shores and that we should be responsible for this fence-line as well as .04 miles of fence at Astral Point and Cranes Mill. However, with road construction still going on, we do not feel it is in our best interest to begin at this time. There is also much prep work to be done before beginning the project and the weather is still too hot, but the BOD should proceed with all of the logistics at this time so that we are ready to begin in January or February.

We have one bid for this project at this time.

Two other companies have been contacted for bids. One said that they don't do fences like ours.

Another company, out of San Antonio, As Good as New Fence Company, came out and once they saw the scope of the work, they backed out. They also did not clear brush.

North Pavilion Discussion

The use of the North Pavilion was a topic of discussion at the Maintenance Committee Meeting on 9/7/11.

Questions and items that were raised:

Is it feasible to spend money on it at this time since Mystic Shores already has one up and running?

It will cost about \$5000.00 to make the gate card ready.

Electrical will have to be run and lighting put in.

Restroom needs a different locking system and a roof.

It will have to be scheduled to be cleaned after usage/cost.

Trash pick-up will be another cost.

There are no tables or area to store tables.

If there are lights, what will keep teens or others out?/vandalism

Benches need to be re-stained.

A tree needs to be trimmed off of the roof of the pavilion.

The BOD may want to think about phasing in some of the items slowly over the next 2-3 years until there is more need for the pavilion. These were just discussion points.

For 2012 Budget Maintenance Requests

Budget more for tree trimming all over. Many of our trees and bushes need a 'facelift' after this drought. Steve at AMS can help with this budget cost.

We have trees and bushes on North and South that need to be trimmed once they go dormant. North Pavilion and Dodder pool bushes

South Lake Park/pool area

South mailbox area

Sycamores on Starling Pass

There have been requests for a picnic table at the playground area. Currently, there is no where for parents to sit or for anyone to eat if they go for a picnic. We currently have two bids which are both around 850.00. That includes installation. If the BOD approves this in the budget, we will go out for another bid and a final price.

The next item is something the committee is requesting that the BOD begin saving for and maybe consider over the next two-three years. It is a sun cover, similar to what we have at the pools and what all schools have over their playgrounds now. They come with a 10 year warranty and it also saves on sun damage to the playground equipment.

We currently have two bids with a ballpark figure of \$17,000 at this time. This is a 40x40 cover and installation. Keep in mind, the price will be more later on.

The Maintenance Committee would like to work with the landscaping company to spruce up all monument areas this coming Spring. We will need some extra in that category.

The Maintenance Committee discussed the possibility of a camera being mounted to the roof of the South pool facing the gate entry to try and help curb vandalism in the park area. We are recommending the BOD discuss this, if they haven't already.

There is concrete floor damage in the locker rooms of the South pool. This is covered in the reserve fund. Both floors need to be repaired (resurfaced) before next pool season.

We need to look at repairing the tennis court surface where it has been gouged. Reserve Fund p.25/26 talks about this.

The South pavilion needs to be repainted. According to the Reserve Fund, it will be time in 2012 anyway.

Mtstic Shores POA Reserve Funds

Investment Time		Bank	APR
2 year CD	\$125,000.00	RBFCU	1.41%
3 year CD	\$246,988.97	CAB	1.69%
5 Year CD	\$125,000.00	RBFCU	2.78%
Total	\$496,988.97		

Reserve Fund Projected Expenditures

Year	2012	2013	2014	2015	2016
	\$42,808.00	\$30,602.00	\$51,961.00	\$98,026.00	\$9,884.00

**RESOLUTIONS OF THE BOARD OF DIRECTORS
MYSTIC SHORES PROPERTY OWNERS ASSOCIATION**

WHEREAS, Bluegreen Southwest One, L.P. (the "Developer") was the developer of the Mystic Shores and the Peninsula at Mystic Shores (the "Peninsula") developments and, as the developer, created certain Declarations of Covenants, Conditions and Restrictions for the respective developments;

WHEREAS, effective April 7, 2009 (the "Transfer Date"), the Developer transferred control of the Mystic Shores development to the Mystic Shores Property Owners Association (the "MSPOA") and transferred control of the Peninsula development to the Peninsula at Mystic Shores Property Owners Association (the "Peninsula POA");

WHEREAS, after the Transfer Date, the respective Boards of Directors of the MSPOA and Peninsula POA became aware that the Developer had inadvertently not completed and filed all the documents necessary to annex three of the units located in the Peninsula to the Peninsula POA;

WHEREAS, after consultation with the Developer and its legal counsel and counsel for the MSPOA and Peninsula POA, the respective Boards of Directors determined that it was in the best interests of their respective property owners to enter into an Agreement and Assignment of Rights between the MSPOA and Peninsula POA (the "Agreement"); and

WHEREAS, on March 15, 2010, the respective Presidents of the MSPOA and Peninsula POA executed the Agreement, to be effective as of April 2, 2009;

WHEREAS, the Agreement was recorded on March 29, 2010 as Clerk's Document No. 201006009684, in the Official Real Property Record of Comal County, Texas;

WHEREAS, the Agreement provides that the Peninsula POA shall:

1. govern, maintain, control the Architectural Control Committee, enforce and uphold the Architectural Standards, assess fees and spend assessments as needed for the four (4) units of the Peninsula, without the input or control of the MSPOA; and
2. indemnify the MSPOA and its agents, representatives and employees for substantially all losses and claims arising out of the Agreement, as more specifically stated in the Agreement;

WHEREAS, Section 4.6 of the MSPOA By-Laws provides that a contract shall be executed by at least two (2) officers of the MSPOA, or as may be designated by Board resolution, and the Agreement was approved by a prior MSPOA Board without formal resolutions; and

WHEREAS, the current MSPOA Board has determined that it is in the best interest of the MSPOA to approve and ratify the Agreement for the avoidance of doubt;

NOW, THEREFORE, BE IT RESOLVED by the Board that the Agreement is hereby approved and ratified in all respects and shall be effective as provided in the Agreement.