

Pelican Isle POA  
Closed meeting  
September 10, 2013

Taken from a recording taped at meeting of the Directors and President.

Jim Hadd stated on Larry's suggestion to borrow money from the bank there was only one way to do it, and that's to "do the whole damn thing." Larry Ganaway said that he made the suggestion but it was up to the three of them to vote on this. Larry stated he had a couple of things to say before he called the meeting to order.

Rick Gullett stated he thought it was an illegal meeting. They broke the By-Laws last week by calling it a Special Meeting, and the By-Laws say that a notice of a Special Meeting will be mailed to the property owners ten days in advance. Dora Jacobs stated, "We know, we agree. We screwed up. We called the wrong meeting." Larry stated he called the Attorney General and was told to go by the Property Code Title 11 Restrictive Covenants chapter 209 Texas Residential Property Owners Protection Act. He stated this meeting is illegal, and asked if they wanted to continue the meeting. Dora stated that it wasn't a special meeting. Larry stated it was a regular meeting that they called. He asked again if they wanted to continue the meeting. Dora requested to speak off the record. Larry stated that was their agreement. Jim asked what was illegal about it. Dora stated that Larry knew what they had to do at the bank. They have to have a Board of Directors meeting. Rick stated one was scheduled for Saturday. Dora stated it would have to be for the Board of Directors to accept Debbie's resignation. Rick stated they could go into executive session for that. Larry stated he had everything documented and wanted to show them something. Dora asked if he was waiting for an audience and not work out something with the Board. She stated she was OK with that. Rick asked about the other Board that did things behind everybody's back. Dora asked what they were doing behind anybody's back. Rick stated it was having meetings without notifications of people. Dora stated they had three days' notice. Rick stated to quit arguing with the By-Laws. Dora restated that they used the wrong terminology when they called the meeting. She stated they had a meeting in June, July and August to have an audit, so they had an open board meeting to agree to the audit. She stated they had a meeting to hire someone to get started. Rick agreed, but stated it was an illegal meeting. Dora stated they had already agreed at two previous Board meetings to hire someone for the audit prep. She stated it may have been illegal, but they are responsible for getting it done.

Larry stated he had a conversation with bank representative Elizabeth Van Burkenburg who recorded their conversation then emailed him, "As we discussed on the phone earlier today to add or remove any signers on the account, you must be present along with any signers to be added to the account. In addition to you being present, we would also need minutes that state who has been added and removed and those peoples' titles. The meeting minutes must be signed by whoever took the minutes." He stated they had a meeting to force Debbie out. Rick stated that was wrong, the meeting was about the audit. Larry said no one was there to take the minutes, and Dora said they recorded it. Larry asked who would write the minutes. Dora stated the secretary would have but she resigned that night. Rick

stated, "before she got fired." Dora asked who fired her. Rick stated she would have. Dora stated she thought they were trying to get her help. Rick stated she knew they were going to fire her, and she was going to make the motion but they stopped her. Dora stated only to remove her as treasurer. She stated "she" is having a hard time because Mike Butler who was foreclosed on was still being billed and owes \$1100.00. She stated, "This is the one Tony and Debbie bought from the POA." Jim and Dora began speaking at the same time. Larry stated they would only go back one year and forget about the old items, but Dora stated they couldn't because of bad debts "she" wants to write off. Dora stated they were going to discuss this tonight but now they're not going to. Larry stated the directors could discuss whatever they wanted to, but they were supposed to notify everybody in advance before they had a meeting. Dora stated they were having an emergency meeting, and asked if the POA owed \$28,000 to the First State Bank referring to a paper she had which "she" printed for her. A conversation between Jim and Rick then occurred simultaneously with Dora and Larry. Dora stated "she" was going back \_\_\_\_\_. Jim and Rick were discussing the By-Laws. Jim asked, "Is this an amended set that needs to go into the By-Laws." Rick stated it was state law, and they need to go through the By-Laws. Dora spoke about Savannah who lives down here and will do "it" for \$250.00 per month. "She" will be the treasurer for \$300.00 per month and will do the books, billing, and everything finance. Dora stated she had some checks that needed depositing and bills that needed paying.

Dual conversations continued.

Dora told Larry he was the President and did the day-to-day business. He said he could deposit the checks. Dora stated she wouldn't ask him to do anything illegal. Larry stated she would call the lady at the bank to see if he can make a deposit. Dora stated if she had a deposit slip or the account number, she could do it. Rick and Jim were discussing the books.

Dual conversations continued.

Jim stated, "treasurer, treasurer, treasurer screwed up." Rick asked what Debbie was doing wrong. Jim stated that she didn't know what she was doing, and you can't learn our goofy system without a six-month course." Rick asked why Lydia said everything looked good. Dora asked what she could see because she was there 30 minutes. Jim stated that he agreed with Larry that she was trying to build her confidence up. He stated there's too much that has to be fixed. He stated dead people are still on the books. Larry stated the books have never been right. Rick stated they should have got Debbie Lile help and sent her to be trained properly. Larry stated she is honest. Dora stated that she did a good job for what she knew, and there's an expert who is having problems. Jim said she should have admitted it was over her head and asked for help.

Dora stated she would be at Saturday's meeting because she's getting personal attacks by email. Larry stated he got one from her and Debbie. Dora asked what was said that made everyone so mad. Rick stated he hadn't said anything. He said they had a meeting about planning "that weekend," then there was a meeting and they discussed some things. He stated Jim asked him to do something. He stated he sent an email, and then Jim and Dora got mad at him because he opened it up. He stated on Saturday night Dora told him she was disappointed in him. He stated she told him he couldn't get advice from



Scotty (Carson). Dora stated he didn't have the information, and they were going to present their proposal to him before they presented it to Fred and Debra. Rick stated they had a meeting. Jim and Dora denied this. Rick stated he asked Jim why he wasn't at the meeting and was told it was because Rick had already made up his mind. Jim and Dora stated Jim went home, and Dora stated "we" went to Denny's for breakfast. Dora stated that when she came back from Denny's, Fred said they couldn't afford to buy the lots, and with the pipeliners coming in, they weren't going to do anything now. She stated that Fred said that an extra \$15.00 per month was not a concern for them. Dora stated Rick didn't have all the information because they didn't have it until after. She stated they told Rick it was an idea they came up with and had not talked to Debra and Fred. She stated that she said they were working on something but they needed to get it together because they wanted to talk to Rick, then Mike Couture stopped her and asked what was going on. She stated that she told him they went to Denny's and there's nothing going on because there was no deal. Rick asked Larry about the proposal that was handed to them two weeks ago. Dora stated she had a copy if he didn't. Rick asked what she had, and she stated it was what they made after they came back that they would look at later. She stated it would have to be voted on by the property owners. Larry stated the POA did not make a proposal to the rentals, the two directors (referring to Jim and Dora) made a proposal. Dora stated she agreed. Rick stated it was not dead as she had told him previously. Larry started reading an email from Debbie Hunke, but the others stopped him. Larry stated he had an email "from you" sent to a friend that Jim wanted Debbie Lile to send the computer and checks by UPS or FedEx. Larry stated that neither one of them is authorized to write checks. Dora stated she had all the checks and she could write the bills. Rick stated she was going to have you email the bills to her. Dora stated she's not set up to do email. Larry stated he's on the account, and he's responsible for the money in the account. Larry stated that before the meeting Jim said he was going to fire Debbie for insubordination. He stated it was not insubordination because he told her not to send the computer and checks because he and Debbie were on the account. He stated everything the two directors had done was illegal. Dora disagreed stating they should be able to have conversations to work out things. Larry stated Rick should be included. Dora stated they weren't having a board meeting, they were trying to gather information. She stated they thought it was a good idea. Larry stated it wasn't, according to our by-laws. Dora stated they were trying to make a proposal to be voted on. Dora stated they have not done anything "sneaky," and if anyone asked her what was going on, she would tell them.

Dora stated Larry is always calling the attorney general's office, and she thought it was insane. Larry replied that he wanted to make sure he knew what he was doing. Larry requested that she report to the POA, and she agreed she wanted to do that.

Dora stated that her signature isn't on there, but Larry's is. Larry stated he had to go to the bank. Dora stated she was not going to be responsible. Larry stated he can't pay the bills on his own, and Dora stated she couldn't either. Larry stated he didn't care if they shut off the electricity, and Dora stated she didn't care either.

Dora stated there are people on here who are dead or sold their lots who are being billed. Larry asked who they hired as secretary and why she wasn't there. Dora stated it was a private meeting, and they hadn't hired her until they all agreed. Rick asked who they were considering. Larry stated if she's writing



the checks she'll have to go to the bank. Dora stated that Janie Goodman will write the checks. She stated the secretary would be Savannah Allen whose parents are property owners. Larry said it was good that they're getting a property owner to do it. Dora stated they asked Katelyn Nix (Denise Nix's daughter), and she accepted then she got accepted to Navarro College to get her GED. Dora stated Savannah will pick up phone messages. Larry stated he needed to read the bank information again to make sure who has to go down there. Dora asked where the checks were that Debbie had. Larry stated there were only five checks with his signature on them, and they will be here Friday night. Dora asked if her name was on any of them. Larry stated, "No." Larry stated he presigns about 20 checks, and she pays all the bills with two signatures. Debbie is still on the bank account. Dora stated that to do online banking it would have to be voted on by the property owners, and they were going to do that in July. She stated it was going to go out in the amendments to the By-Laws. Rick stated at the last board meeting, the people are going to go "berserk," and Dora stated that's what will happen at Saturday's meeting because she's been reading emails and they're primed for a fight. Larry stated if she did anything wrong she should explain why she did what she did. Dora stated they hadn't done anything wrong-what they've done had been misconstrued as sneaky.

Dora stated Rick didn't go down to Scotty's to ask his advice, because he didn't know anything about this until she went to his place on Sunday to tell them what they were working on which Rick was against. Rick stated he was not against it. Dora stated he said he wasn't for it unless they give up the office and pay the \$15.00. Larry said they couldn't make that decision. Dora stated they could work something up. Jim stated they liked it, but they couldn't do it because it takes 67% of the people. Dora stated that it takes 67% of the vote to change the By-Laws. She asked where the proposals were, and they were doing something illegal because they weren't doing the job they were hired to do. She asked how they were going to get the property owners to vote to the "things" if they aren't sent out. She stated she wasn't the secretary and doesn't get paid \$550.00 a month. Rick said it would be a committee of independent property owners to go through the by-laws. Dora asked what happened to the By-Laws Committee and the Financial Committee. She stated the one person who knew what she was doing and tried to tell them was accused by them of a witch hunt. Dora stated she went to Janie Goodman's to go over a list, and she wasn't going to do it until she's told she's hired. Larry asked how they would go about appointing her. He asked if they had to do a vote of the membership. Jim said no. He said anybody can be from outside the committee. Rick stated they could hire a manager to run this. Dora and Jim stated that would be Janie Goodman. Larry stated they cancelled the scheduled board meeting, and he didn't care what the reasons were. Dora stated they couldn't have one because they didn't have a secretary. Jim and Dora stated they had other plans for Saturday, and that's why they weren't going to be there. Larry stated that Jim told him on the phone that he doesn't keep track of Larry's doctor's appointments, and Jim stated Larry didn't keep track of his kids' birthdays. Larry stated Jim told him they were having a meeting Tuesday the 10<sup>th</sup> with a three-day notice. Larry stated there would be an owners' meeting not a board meeting. Dora asked if Larry remembered a letter Jim sent that they had 75%... Larry interjected that no one wanted to come. Dora stated he never called the meeting. Larry stated he did. Dora stated she could prove he didn't. Rick asked what meeting she was talking about, and she replied it was about the lawsuit. Jim stated that was a long time ago. Dora stated she didn't care if it was a long time ago. And the tape ended.

Note: Not all conversation was audible enough to document, and no one was present to take the minutes.

A handwritten signature in cursive script, reading "Deborah Lile". The signature is written in dark ink and is positioned above the printed name.

Deborah Lile

Secretary