

RCMC ANNUAL MEETING
Saturday, March 12, 2017

President Ben Andrews called the meeting to order at 10:03 a.m., on Saturday, March 12, 2017 at the RCMC Clubhouse.

Director Darin Zumwalt led the members in the invocation.

Director Kevin Craine led the members in the Pledge of Allegiance.

The Sergeant-at-Arms, Carm Andrews, reported that a quorum was met with members present.

President Ben Andrews introduced himself and the members of the Board of Directors for RCMC. Directors present were Don Anderson, Kevin Craine, Suzanne Drucker, Sam Stanphill, Sandy Stratton, Laurel Taylor, Michele Working and Darin Zumwalt. He introduced the secretary/treasurer Myra Zumwalt. Ben thanked the Directors for their hard work and dedication.

Myra Zumwalt read minutes of the Board of Directors Meeting of February 20, 2017. President Ben Andrews asked if there were any changes. With no additional changes minutes are accepted as submitted.

Myra Zumwalt read the treasurer's report. She stated as of February 28, 2017 there was \$45,352.36 in the checking account, \$15,003.69 in savings, and two CD's at \$7,541.52 and \$7,607.74 giving the association a total of \$7,505.31. She announced that out of the 445 home owners in Rocky Creek 72% has already paid their 2017 Association Fees.

Committee Reports:

Admin Committee: Committee Chair Laurel Taylor announced the members of her committee. Responsibilities of her committee include overseeing general office functions, notifying members of vacancies on the Board and oversee elections, keep members informed through use of newsletters, website, Facebook and nextdoor.com, and coordinate all social functions.

Laurel announced the accomplishments this year include a Family BBQ, Ice Cream Social, National Night Out, Christmas Party/Ornament Exchange, Chili Cook-Off, four newsletters in 2017, mailing of statements, election ballots and candidate statements, and the Butterfly Garden was planted.

Laurel encouraged all members to check the website, rockycreektexas.org, like our Facebook page Rocky-Creek-Ranch, and join your neighbors on NextDoor.com. She also encouraged all members to volunteer by joining a committee, stating that there were sign-up sheet on the door.

Architectural Control Committee: Committee Chair Kevin Craine announced the members of his committee. He started his presentation by stating that the Board directs the ACC, which provide guidelines. These guidelines are either informational or enforceable. The guidelines that are meant to be enforceable must be supported by Federal, State, or local legislation, or by a specific deed restriction. The ACC reviews and approves all plans for construction in the subdivision to assure conformance to the subdivision restrictions. It assures adherence to established restrictions with respect to proper use and upkeep of subdivision properties, reporting to the Board any violation of the recorded restrictions for the subdivision together with its recommendations. It presents plans to the Board for beautification projects and it keeps up to date on local building codes and permit requirements and advises lot owners in this regard. This information can be incorporated into the newsletter.

In 2016 the ACC reviewed permits for 45 new homes, 15 sheds, 14 fences, 5 decks, 3 garages, and 15 other structures totaling 97. Kevin stated that the prior year there were only 40 new homes and 78 total. Kevin Craine discussed the Deed Restriction Guidelines he stated they are informational not enforceable and all are on the webpage as well as the Restrictions, Assessments and Easements of Rocky Creek Ranch.

Finance Committee: Committee Chair Sandy Stratton began her presentation by announcing her committee and stating the responsibilities of the committee which include conducting and audit of the corporate finances, working with all committees to develop an annual budget, assist Treasurer in assuring an accurate and comprehensive system of recording and maintaining records of all assessments and arranging for tax returns and 1099 filings. Sandy discussed the current budget for 2017.

Operations Committee: Committee Chair Michele Working started by stating the responsibilities of the Operations Committee which are to oversee the maintenance and operation of the pool, private roads and common areas, advise the Board as to maintenance requirements and costs, obtain bids, purchase supplies and equipment, arrange and supervise maintenance of roads within the subdivision, and develop plans for future improvements to the park. Michele stated that Rocky Creek Ranch is one of the nicest communities for our size in the area. One of the main reasons is our volunteer support. She wanted to thank all of them for their help. She announced that the pool has been a challenge this past year but we are working with a new pool company and have made some needed repairs. Hopefully there will be no more closures this year. She stated a couple of storms this year cause some damage to trees and our roof on the bathhouse. During the last two workdays the debris from the trees have been cleaned up and the bathhouse has been repaired. Final conclusion to our vandalism case of 2 ½ years ago and thanks to the courts we will be receiving our deductible back. Michele announced that this was her last year to be on the Board. She stated that in the 5 years she has served she has had the pleasure to work with great people. She will continue to be a member of several committees.

Playground Sub-Committee: Committee Chair Michele Working announced this was a sub-committee of the operations committee formed to help raise money to improve the playground in the park. So far this committee has raised \$805.80 by doing fundraisers such as a community garage sale, silent auction and selling raffle tickets. Another Community Garage Sale is scheduled for April 22nd. She announced the committee is always looking for fresh ideas and volunteers.

Rules Committee: Committee Chair Kevin Craine started by stating that the Rules Committee is made up of all nine members of the Board and nine members of the general membership. There are openings for seven more non-board members. The responsibilities of this committee are to conduct a periodic review of all dedicatory instruments to ensure continued compliance, oversee all suggestions for changes to the Deed Restrictions, adopt and present to the association at a special or regular Board meeting all recommended changes to be considered, and work with the Administrative Committee to develop the ballot concerning and changes to the Bylaws or deed restrictions that met the threshold for conducting business.

Kevin announced the dedicatory instrument review timetable for 2017 to include but not necessarily limited to the following policies; Deed restriction guidelines, preceding the adjournment of the Texas Legislative Session; Bylaws, preceding the adjournment of the Texas Legislative Session; Appeal Process, reviewed on the odd number years; Park Facilities and Rules, reviewed on the odd number years, Resale Certificate Policy, reviewed on the odd number years; Adjacent Lot Agreement, preceding the adjournment of the Texas Legislative Session.

Kevin stated the accomplishments for 2016 include revising the Bylaws to conform to 84 legislative session; revising the Alternative Payment Schedule; revising Notice, Appeal and Mediation Policy; revising the Complaint Policy, revising the Building Guidelines, creating the Associate Member Pool and Park Policy; updating the Schedule Fee/Assessment Policy.

State of the Association: President Ben Andrews gave insights on the RCMC organization name and membership. Ben reported that how we operate is determined by our governing documents. He stated the hierarchy of documents are as follows; (1) Federal, State and Local Laws, (2) Recorded Plat, (3) Deed Restrictions also called Declarations or covenants, conditions, and restrictions, (4) Articles of Incorporation, (5) Bylaws, (6) Rules, Regulations and Guidelines.

Ben reported on frequently asked questions - what authority do we have to enforce deed restrictions which are as follows; No authority to fine, only enforcement power in most cases is to take violators to court. The Board

carefully considers what cases we take to court. What does it take to change the Deed Restrictions? This requires approval of owners of 51% of Lots (example 305 of 598 lots)

Ben stated that the biggest challenge is funding major expenses in the future. He announced a new temporary Reserve Fund Committee was formed. This will be a temporary committee to explore ways to fund reserves.

Open Forum: At this point President Ben Andrews opened the meeting up to the members to voice and concerns they may have.

Marc Rosenthal asked finance about the mention of paying federal tax at some point. He stated during the last monthly Board Meeting he thought he heard Don Anderson report on filing as a 501(C)3. Don Anderson answered that we could not file as a 501 but we could file a 528H, which allows HOA income by all members not subject to tax, only Association Membership Fees, Rentals, Transfer Fees and Resale Certificate Fess would be subject to tax. He stated we could on file a 528H if 90% of expenses are incurred for the benefit of all members, which we fall under. Ben Andrews stated that we are very fortunate to have 2 CPAs on the Board.

Tom Dunlap asked what fees are incurred when you purchase a lot. Myra stated that everyone is charged a \$50 transfer fee and if the lender or buyer requests a resale package we charge a \$100 fee.

Ron Elkins asked about the Adjacent Lot Agreement. He wanted to make sure he understood it correctly that you must own the lot before you place a structure on it. Kevin stated yes you have to own the adjacent lot. Laurel Taylor stated you have to have the adjacent lot agreement to place a structure because you don't want to join the lots together.

Rick Passetto asked does the Adjacent Lot Agreement allow you to be released from the easements. Kevin stated it does not release you; only the county/utilities can release you.

At this time Laurel Taylor announced the winners of the door prizes; Mike Garcia and Richard Coles.

Sergeant-at-Arms Carm Andrews reported the Election Returns. She stated the ballots we counted twice and are as follows. Re-elected for a two-year term are Kevin Craine, Sam Stanphill, Laurel Taylor and Darin Zumwalt. Newly elected for a two-year term are Paul Garner and Marc Rosenthal. Laurel Taylor thank all who ran for the Board this year and encouraged them to run again.

At 11:18 a.m. President Ben Andrews stated that the business part of the Annual Meeting had concluded and the Board would now convene into Executive Session to elect officers and appoint committee chairs. At 11:26 a.m., President Ben Andrews reconvened the Annual Meeting and announced that the following people had been elected or appointed:

President:	Ben Andrews
Vice-President:	Darin Zumwalt
Administrative Committee:	Laurel Taylor
Architectural Control Committee:	Kevin Craine
Finance Committee:	Sandy Stratton
Operations Committee:	Sam Stanphill
Rules Committee:	Kevin Craine

There being no further business, President Ben Andrews adjourned the meeting at 11:27 a.m.

Respectfully submitted,

Myra Zumwalt
Secretary/Treasurer