

**Minutes of the Annual Meeting of
The General Membership of the
Peninsula at Mystic Shores Property Owners Association
April 26, 2014**

The annual meeting of the General Membership of the Peninsula at Mystic Shores Property Owners Association, a Texas non profit corporation (the "Association") was held at the North Shore United Methodist Church, 23880 N. Cranes Mill Road, Canyon Lake, Texas 78133, pursuant to a call by the President of the Association.

Directors Present: Marty Rolleg, Ann Gibson, and Greg Petsch.

Also Present: Eva Hecox and Deann Moore of Association Management Services.

Call to Order: The meeting was called to order at 10:08 a.m., with the President being in the chair and recording secretary present.

Quorum: In accordance with the By-Laws, the quorum is 10% of the platted lot owners required to be present either in person or by proxy. There are 263 lots in the Peninsula at Mystic Shores POA, and the quorum requirement is 27. There were 51 lot owners present in person or by proxy at the meeting. The quorum requirements were met.

Proof of Notice: In accordance with the By-Laws of the Association, notice of the meeting stating the place, date, and hour of the meeting was delivered by written communication addressed to the members at the last known address appearing on the books of the Association on March 24, 2014. All members present indicated that they had properly received notification.

Introduction and Opening Remarks: Mr. Rolleg, President, chaired the meeting for the Association. Mr. Rolleg introduced himself, the Board of Directors, and the management team. He explained that Association Manager Steve Brown was absent due to a family emergency, and Ms. Hecox, another Association Manager from Association Management Services, was filling in on his behalf. A special thank you went out to the volunteers who obtained proxies for the meeting.

Approval of Minutes: The minutes were presented from the April 27, 2013 annual meeting of the general membership. It was moved and seconded to approve the minutes of the April 27, 2013 annual meeting of the general membership as submitted; motion carried.

President's Update: Mr. Rolleg provided the report. Details from the President's update are included on the attached slide show presentation from the meeting, attached hereto as Exhibit A. Mr. Rolleg reminded the membership to bring any issues to the Board for review, as they are glad to help out wherever possible. It was also noted that the Association needs to remain diligent on the budget to keep costs down, and Maintenance Committee Chair Gary Kasch was thanked for all of his help and support in that regard. Mr. Rolleg also advised that the February 14, 2014 Board meeting encompassed the investment strategy for the year, which will be covered later in the meeting.

Election of One Director: The name of Marty Rolleg was previously placed in nomination. The floor was then opened for additional nominations. There being no nominations from the floor, nominations were closed. As there was one candidate and one vacancy on the Board, it was moved, seconded, and unanimously approved to elect Marty Rolleg by acclamation; motion carried. Marty Rolleg was elected for a three year term.

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COMMITTEE REPORTS:

Architectural Control Committee (ACC): Barbara Rolleg reported for the Committee. A copy of the report is attached to these minutes within the slideshow attached hereto as Exhibit A. Welcome to new member Clay Crum and special thanks were given to outgoing committee member Joel Huff for his years of service.

Maintenance Committee: Gary Kasch reported for the Committee. A copy of the report is attached to these minutes within the slideshow attached hereto as Exhibit A. Mr. Kasch advised that a final contractor for the engineering study will be selected this week, and the tree trimming in the common areas also starting this week will not include the trees that were planted last year to avoid shock.

Conservation Committee: Chuck Davey reported on behalf of the committee. A copy of the report is attached to these minutes within the slideshow attached hereto as Exhibit A. The membership was advised that the Conservation Committee works on behalf of the entire Mystic Shores POA, not just the Association. Also, the private Canyon Lake Gorge tours held in 2013 were a big success, and they can be started again if there is enough interest from the membership.

Communications Committee: Fania Magana reported on behalf of the committee. A copy of the report is attached to these minutes within the slideshow attached hereto as Exhibit A. Their website can be found at www.tpams.net. It was suggested by a member that the Gate Code Request Form be moved to the main page on the website to make it easier to locate, and the committee will take care of this request.

Neighborhood Watch Committee: Marty Rolleg reported on behalf of the Committee. A copy of the report is attached to these minutes within the slideshow attached hereto as Exhibit A. Thanks to committee member Steve Diamond for stopping contractors he observes speeding. Members were encouraged to contact McKinley Security and provide license plate information and vehicle descriptions when infractions are observed. If anyone is interested in joining their Neighborhood Watch team, contact Jackie Kiehm.

Social/Welcome Committee: Chairperson Pam Miller reported for the committee. A copy of the report is attached to these minutes within the slideshow attached hereto as Exhibit A. A breakdown of events that were held, as well as those that are planned were provided.

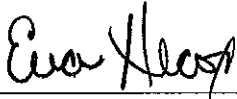
Financial Report: Mr. Petsch provided the financial report. Attached to these minutes are the presented slides that were used for discussion, attached hereto as Exhibit A. The slides detailed how delinquencies have diminished through 2013, with only a slight increase so far in 2014. Mr. Petsch provided the available balances of each bank account, and spoke to the 2014 budget. The largest items in the budget are reserve contributions, grounds maintenance, and gate repairs. The last reserve study for the Association was done in 2010, and an engineering road study is being done this year to validate the findings from that reserve study before any final decisions regarding road repairs are made.

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NEW BUSINESS:

For sale signs on lots: Prior to today's meeting, a member asked the Board to add this discussion item to the agenda. For sale signs are specifically prohibited in the Declarations, Covenants, Conditions and Restrictions (DCCRs). Mr. Rolleg read the DCCR requirements regarding for sale signs from Section 3.09, Signs, to the membership present. He also noted that the member who requested the discussion regarding for sale signs was not in attendance at the membership meeting. Discussion ensued. After much discussion, it was decided that the current DCCRs would be upheld, but that Management would further clarify a question with legal counsel regarding the voting requirements needed in order to amend the DCCRs.

Adjournment: There being no further business, the meeting was adjourned at 11:52 a.m.



Eva Hecox, Recording Secretary