

MINUTES

ANNUAL HOME OWNERS' MEETING

September 10, 2007 7:00 PM

Wallace Phillips welcomed the 81 home owners who attended Monday night's annual meeting.

Wallace reviewed the number of lots that are currently sold and the number of homeowners upon completion of the development.

The Financial Reports & 2007 Budget were reviewed by Wallace.

Wallace discussed the updates/improvements that were made this past year which included installation of new landscaping along Victoria and spraying of the Cypress trees which has improved there condition. The shade cover for the playground equipment was approved by the city, however, it is on hold until funding is available. Wallace advised that after multiple complaints regarding dogs not being kept on leashes and waste not being cleaned up on the walking trails, the HOA has purchased signs to be posted along the walkway. There seems to be problems at the front lake as well, but we will have to obtain permission from the city. Questions were taken from the floor regarding a place to dispose of the waste bags are needed on the walkways. Wallace noted and the new directors will take that under consideration, but that will be costly to have someone to empty them regularly. Wallace also stated that the hoa participated in the city mosquito abatement program again this year and homeowners were instructed to help themselves to the Mosquito Dunks over on the table.

Wallace extended a thank you to Vicki and Dawn for their 5 years of service to the HOA and said due to the number of lots that have been sold, the hoa would now be turned over to the homeowners. Wallace said that he and Dawn Phillips would be resigning from the board. Vicki Hillert who is a homeowner has agreed to stay on as a director for one year to assist in the transition. New directors will be elected in September 2008. Wallace then introduced William Farris of SideByte who has been hired by the owners association to manage the day-to-day affairs of the association under the board's direction.

William introduced SideByte to be the management team for the home owners association. He explained that they are here to help manage during the transition and be here to support the association. They have a full staff and introduced Sandie and Corinne. William also discussed the new Castlegate hoa website at www.castlegatehoa@sidebyte.com He explained the purpose of the website is to have a central place with information on the community, collection of homeowners information and reporting of deed restriction violations. He also explained how the letters of concern have been handled. The total number of violations that have been sent out from June 1 – Sept 11 are 384

Review of the concerns that were sent via the web site to be addressed at the meeting was reviewed by William.

- vehicles parked in the street
- multiple people living in a home
- how many rental home are in the community?

The estimate to date is 29 homes are rentals – discussion was held of how we can prevent rental property. Vicki Hillert notated that by state law the HOA can not tell a homeowner that they cannot rent their property.

However, we can hold the renters responsible for adhering to the deed restrictions regarding parking, mowing of yards, etc. Suggestion from the floor was to have renters register with the HOA. This will be looked into further on how to report problems directly to the homeowner and not just the renter living in the home.

- Status of the fiber optic cable – this subject was address by Wallace Phillips. It was explained that Greens Prairie had teamed up with BTU on running cable in the community. But Sudden Link has the monopoly. Each home is prepped for the cable to be installed which in the future should be an asset for all owners, but at this time the capabilities are not available.

- Directors and Committee's were introduced by William.
 - Krystal Broussard
 - Rick Bennett
 - Vicki Hillert

William announced that Sandie had been working on organizing the committee to service the community. He pointed out that there are sign up sheets that we need your help with. If you think that there are too many names, put your name down. The HOA can always use your help.

A question came from the floor to elaborate on the transition of HOA organization from the developer to the homeowners. When a community is 90% sold out, the developer turns the HOA over to the homeowners. Typically the numbers of directors are increased after the first year the homeowners have had management of the association. As stated in the by laws, the election of directors will be held in September 2008 at the next annual meeting. The volunteers and directors were organized by response to mail outs sent to all the homeowners and based on people that have volunteered in the past when help was requested. SideByte also posted on the web site the information regarding the committee's and the number of volunteers needed.

William reviewed the possible enhancements for the community over the next 2 years based on request the directors had received this past year. Vicki stated that the directors would like the homeowners' input in order for them to set the budget for the next year. Homeowners were asked to give their input on the web site where there will be a Budget Opinion Poll. Suggestions were taken from the floor on possible enhancements; enforcement of the trash cans regulations, trim trees on the walkways taller than 5', water fountains at the playground, repair of hole in the playground equipment – Vicki advised that the playground is owned and operated by the city, she reviewed that there is a committee called Park Pals volunteers and we are looking for volunteers to join. This committee works directly with the city on community park. Suggestions continued from the floor; dead trees in the common areas need to be removed, fountain in the back pond not working – Wallace explained that electrician have been hired to repair electric relays and work on the cooling system. He explained that the sprayers for each fountain can cost anywhere from 6,000 – 12,000 a piece and that when they were purchased he didn't buy the cheapest ones available. He also explained that he had paid for these not the HOA, and that the HOA was only responsible for repairs. They are difficult to get someone to work on. William advised that Vicki and Sandie would be at the volunteer table after the meeting if you have any further questions on the various committees.

Homeowner spoke out regarding the deed restrictions letters are offensive. Vicki explained that a friendly letter is sent out to follow-up on complaints of violations of the CCR's. In the past years, we have tried everything including a friendly letter that doesn't give a deadline date or recite the restriction that has been violated. People do not respond to them unless they state a specific date to be cured and the legal jargon recommended by the HOA attorney. It cost the association too much money to keep sending letters over and over for people to just ignore. She stated at the end of the day, most people want to live in Castlegate because they know the HOA will uphold the deed restrictions. William further explained that the community has CCR's that must be enforced to maintain the standards of the community. A homeowner stated that everyone signed the same set of papers when they purchased their house that there were rules and those rules should be abided by. Another homeowner thanked the organization for the job they have done the past years, he knows that it is not easy but he appreciates the HOA in looking after and maintaining his property investment.

Homeowner asked to have each committee description explained. William explained that even if all the lines are completed on a volunteer sheet and you want to be involved to please still add your name. Vicki was asked to review the committees:

- Common Areas

SideByte is not in the area everyday, so they need volunteers to advise of any problems with Realm Signs, Lights at entrance and fountains, report street light fixture outages to the city, etc. Someone is also needed to maintain the flags at the entrance includes lowering when needed.

- Community Events

Fall Festival needs a lot of help at the event and in the planning

Spring Fest didn't happen last year because no one came forward to help with the event

Trash Clean-up Day annual event to help keep the common areas free of debris and enhance the community

- Membership

Volunteers to help encourage residents to sign up on the HOA web page. Discussion came from the floor about giving mother's maiden name and birth date on the website. William explained that SideByte has these questions to ask when you call in, we need to confirm your identify. He explained that there are a couple of

other questions besides your mother's maiden name that you can answer. Discussion was held and stated that the information is secure to be used for the HOA web site only.

- Landscape

Includes Yard-of-the Month, the Park Pals, and any ideas that you might have for adding a holiday lighting contest.

- Web News

To update the HOA web site on events such as garbage pick up changes due to a holiday instead of home owners calling the office or leaving their trash at the street over night, community and school updates, etc.

Concern came from the floor on the not being able to register more than one email address per home address. William advised that SideByte is aware of this and has been looking into changing this. He explained that the HOA web site can be tailored to what the homeowners need, we will customize.

Question came from the floor regarding what is going to be developed at Hwy 40 and Hwy 6, Wallace explained that St Joseph could not obtain enough property at the original location and that they are looking at the property between the Methodist church and the gas station/McDonalds. The area in question is being looked at for specialty shops and restaurants. The Super Wall Mart is out for now in the area; however, HEB is back looking at property. Various homeowners asked how they could voice the need for a HEB, Wallace suggested that the call corporate in San Antonio.

Concern came from the floor to extend the sidewalk for after school. Wallace said that the directors would have to look into that.

Concern from the floor on the property across from Castlegate on Greens Prairie and would that be purchased for residential. Wallace explained that this land is currently not for sale. He stated that Victoria Rd is to be opened all the way to the Creek Meadows development. There were questions as to the details of Castle Rock and if it would have a pool. Wallace explained that Castle Rock is an extension of Castlegate and it is a master planned community. Castle Rock will have a separate HOA. It will include a pool, but will not have the other extensive amenities that Castlegate has and the annual dues will be higher. It was asked if Castlegate residents will be able to use the Castle Rock pool and Wallace stated know it is a separate hoa. He also stated there were going to be plenty of houses for sale and if you wanted a community pool, to come on over and buy a house there. Within Castle Rock, there will also be 3+ acres set aside for commercial which he will build a professional office building to house doctors, vets, day care, but nothing like a Chick Filet or dry cleaners due to zoning.

Concern came on the schools and the over crowding. The city is working on 2 additional schools, one to be a high school and potentially another elementary school. There was a question as to what Wallace planned to do to eliminate the overcrowding. It was stated that the developer had given the city the property for Forest Ridge Elementary School. Another homeowner stated that the overcrowding issue should be addressed to the school board, not owners association or Wallace.

Concern came from home owners on the safety issue for wild life after dark on Hwy 40 and that if the brush/growth can be cut back further from the road. Wallace advised that he has set aside 20 acres for the wild life habitat along that area, but he recommended contacting Texas DOT with those concerns.

William thanked everyone for coming, and asked homeowners to register on the HOA web site. There was a large turnout of owners to sign up for committees. Meeting was adjourned.