

PROPERTY OWNERS' ASSOCIATION OF HILLTOP LAKES, INC.
SPECIAL BOARD OF DIRECTORS' MEETING
June 12, 2025
COMMUNITY CENTER
OPEN SESSION @ APPROX. 6:00 P.M.

Minutes

In Attendance: President Raymond Escoto, Vice President Don Ritchey, Secretary Doug Johnson, Treasurer Tiffani McKinney, Directors-Farrell Butler, Biff Adam, Kyle Beale, Bill Williamson

Absent: Dennis Freerksen

- I. The meeting was called to order at approximately 6:20pm by President Raymond Escoto.
- II. The Invocation & Pledges were led by Swen Crone.
Following the Invocation & Pledges President Raymond Escoto addressed the matter of Stephanie Maddox and the USPS Investigation and read the message that was issued in the news from USPS.
- III. President Escoto asked for approval of the June 12th, 2025, Agenda. A Motion was made to approve the agenda by Tiffani Mckinney and seconded by Doug Johnson, unanimously approved.
- IV. Approval of May 15th, 2025, Minutes made by Doug Johnson, seconded by Farrell Butler, unanimously approved.
- V. Recap of Closed Session – June 12th, 2025 – Discussion and potential action
 - a. Property Owner Matters Legal – None to Discuss
 - b. Potential Contracts – Went over current Contracts for Restaurant and Hotel
 - c. Personnel – Addressed previous issues with past employees
 - d. Legal – None to Discuss
 - e. Other – Sign for community garden – unanimously approved during closed session
- VI. Recap of Decisions Taken Since Last Meeting (if any) –
 - a. Hiring of new Operations Manager – Romy Casto
 - i. Has 35 years of construction experience, he helped startup businesses such as Target, Wal-Mart, Burger King; those types of businesses
 - ii. Romy Casto will be overseeing all the grounds and Hotel and Villas

- iii. Romy is currently looking over all the roads and putting them in a place of priority so that Hilltop Lakes (HTL) can then begin to look for contractors to start on the roads.
 - b. Purchase of new security vehicle
 - i. 2014 Chevy Tahoe
 - ii. Currently being maintained and will be ready for operation as soon as the background checks come back
 - c. Hiring of new Security Officers for Hilltop Lakes
 - i. Currently waiting on background checks that can take up to 45 days

VII. Operational Report – Financial & Operational Highlights

- a. Financial Report- Treasurer Tiffani McKinney reviewed the financial report handout, which included profit and loss statement with line-item summaries for income, expenses, and net income, as well as a summary balance sheet outlining assets and liabilities. She went over the second ERC check that Hilltop Lakes received for the Employment Retention Credit for \$269,717.72. McKinney stated that that is the other part of the revenue and that was a big chunk of the other part of the revenue. She also stated that the income for the golf course in the month of May was \$28,16, \$19,834 in hotel room rentals, Post office was \$4,390, \$5,500 in lot sales and \$9,600 in income from the campground. McKinney also stated that the total income for the month of May says it is \$400,720.35, but when you take out the ERC amount it is actually only about \$131,000. She also mentioned that there have been a lot of things being posted in emails, the news, and maybe social media, about how the government has a new bill their working on passing and they're going to take back the ERC credits, but that is only if you applied for them after January 1, 2024, but that we applied in May of 23'. Sylvia Guzman asked, "she heard there might be additional ERC monies coming that would match the first two". McKinney answered "that they know there's at least one more check coming, but that there were some mailing issues because on our account, it already had a street address and not a PO Box, so those checks were sent back to the IRS. We do know that we've got another check coming that's \$211,000, and that there is maybe one more after that". President Raymond Escoto stated "that he spoke with the IRS personally and everything is straightened up with the IRS as far as the address".
- b. Maintenance Report – President Raymond Escoto reported that the pool has an air leak somewhere in the system causing circulation issues. They are in the process of locating the issue, and to be patient the pool is not toxic at all. They have replaced the lighting in front of the motel playground. The solar lights give it better lighting for the kids to play. Maintenance is patching roads as needed, they are unable to do a lot of dirt work due to the weather, but they will get on it once the rain stops. President Escoto stated that he knows a lot of these dirt roads have a lot of wash outs on them. Two of the tractors

are down, so that is why we don't see a lot of the finishing mower running around. Hopefully by next week at least one should be back up and running. President Escoto stated, "that one of them has to do with the hydraulic overheating, so they are currently fixing that". The tennis court will also be getting updated and hopefully installing a light

- c. **Building/Housekeeping Maintenance** – President Raymond Escoto reported that doing maintenance with the hotel and getting the hotel buildings up to safety standards such as fire code. As mentioned previously in previous board meetings, fire have them up there to inspect the fire extinguishers and the sprinkler systems in the villas. They are turning workorders as they come in. Fence built around the cart barn, issues with women's toilet flooding in the bathroom at the restaurant have been resolved. Repaired the flange (place in the top wall) of men's bathroom. The sink at Tonkawa lake park has been replaced after being vandalized. In the Pro Shop men's room was updated with LED. The Teen Center is open. The A/C drain line extended at the Pro Shop for easier cleanout. Ceiling patch is done on the Pro Shop. The water line at the campground was repaired. Breaker switched out and new plug installed at the campground women's restroom to get A/C working. Renovations started at the lodge/restaurant. Upcoming plans are to continue to improve the restaurant before potential renters arrive. Cleaned and checked filters at the hotel. Power washed bathrooms from when the school brought the Normangee Junior High kids out. Cleaned the Teen Center before going over to the Community Center. POA purchased new towels, got those washed and dispersed to the hotel and villas. Also purchased hotel style travel sized shampoo, conditioner & bodywash will replace wall mounted dispensers once supplies are out.
- d. **Golf Course Maintenance Report** – Raymond Escoto reported that greens deep aerifications were completed on the 3rd of June. 6 & 12 in. deep and 5/8 in. wide were punched across and 3-4 in. spacing, applied heavy top dressing and sand. While the holes were still open, they applied limestone to raise the pH and slowly release fertilizer. The process went well, and the greens responded positively and are getting a lot of new growth and a lot of the thinner areas are beginning to fill in. In the month of May leading up to aerification, they applied two fungicide applications targeting root disease and removed grass. They also applied the combination of nematicides to combat nematodes, these applications have made a positive impact on the overall health of the greens over the past month. They will continue to spread hydro regime for the fertility of the fungicides and weeding agents over the next month. They will vertically cut and top dress no less than bi-weekly going forward. They will continue to top fertilize weaker areas and retain full coverage of all grains by the end of the season. Tee Boxes will transition from winter Bermuda. Several of the

tee boxes are thinning out and have become overgrown with goose grass. They will aerify and fertilize heavily to bring the tee boxes back into shape. Fairways are coming along very nicely. Irrigation material for the new irrigation system has been delivered and the starting date for the project is still July 1st, and the project should be completed within 45 to 60 days depending on weather and other unforeseen circumstances. During this time the work group will have only one hole closed at a time.

- e. Pro Shop Report – Raymond Escoto said the Pro Shop reported that the income total for this month has been \$34,970, and the year to date is \$131,080. Tiffani McKinney reported that that was a \$41,000 difference last year. Tournament cost and green fees are \$400 per month and \$29,190 for the year so far. From property owners it is currently \$2,384 for the month and \$10,479 for the year. Non-property owner for last month was \$358 and \$1,533 for the year.
- f. Business Office Report – Raymond Escoto also reported that they are working on updating old policies, working on finding someone professionally to work on the pool, and working on getting bids to update the welcome center bathrooms and kitchen area. Hired an operations manager to load off the office manager position so that she can better concentrate on the business office. Working on several proposals for several money-generating opportunities Hilltop Lakes.

VIII. Committee Reports – Discussion Only

- a. Architectural Control Committee -See Attached
 - i. Got a new ACC Assistant, she has hit the ground running and she's knocking some things out and so we should see some changes in that.
 - ii. ACC will probably be coming to the board resend amenities for some of the people so that they can get their attention.
- b. Activities Committer – See Attached
 - i. Silva Guzman asked if there was anything in place for the fire ants and mosquitoes and stickers. Raymond Escoto responded that we will do the best we can in the locations where we have purchased two rollers that pick-up stickers, but with the tractors down it is hard to use the rollers with the tractors down. We can't prevent the ants, but we will do the best we can.
- c. Beautification Committee – Farrell Butler reported that the Beautification Committee is working with a volunteer to beautify the front and back of the lodge.
- d. Lakes Committee – See Attached
 - i. Property Owner asked what the current policy is for guest boats on the lakes. Raymond Escoto replied that if they don't have a Hilltop Lakes sticker they can't be on the lakes. The PO also asked about the people who bring their boats that are staying in the campgrounds. Raymond Escoto replied that they do get a

pass on the vehicle itself. Another PO asked who monitors that. Raymond Escoto replied that the lady at the front desk issues the guest passes and the accountability of where they are staying. And that we do not have safety in place currently to control that situation. PO stated that even with security in place no one works the weekend. Raymond Escoto responded that they should have a pass and if they don't have a guest pass to present when asked once they come off the lake then they are not allowed to be out there. There is not much we can do about it except to get the individual's name, number or license plate number and report it to Leon County officials. Another PO made a few suggestions on helping to remedy the issue.

- e. Dams Committee – See Attached
 - f. HELA Committee – Raymond Escoto reported that they have requested new coating on the barn and or completely redoing the barn and stables. They do have some bids; the board will review those bids and with the best one they think. They don't know that they are going to decide within the next day or two, maybe within the next week, maybe possibly the next four weeks. They are actively trying to get someone to redo the roof, whether it's completely redoing the roof or recoating.
- I. Members to be Heard – May 15, 2025, Agenda Topics-
- a. Joyce Perkins – Stated that she noticed Mr. Escoto had a scouting group go to the restaurant. She stated that there were a group of them, and she came to find that they had very good peach cobbler, but no pie. She also stated that they are excited about coming and that we are more excited that they shared with them that a contract was signed today.
 - b. Mr. Spencer – Community Garden – That question has already been addressed and there will be a sign put up for the Community Garden and hopefully will have more volunteers.
 - c. Brenda S. – Lake Tonkawa addressing and rumor – She stated that that is closed. She thanked the board for all that they did. She heard a rumor going around lake Tonkawa that the reason the lakes have not been sprayed to get rid of all the nasty weeds that are getting out of control was because there are members on the lake committee that want develop the grass for better fishing and wants to know if that is true. And if that is true, she would prefer a conversation about it being a recreational lake as opposed to a fishing lake and that all the other lakes around here are kind of for fishing. She stated that in 91' when they bought their property on the lake, it was presented to them as a recreational lake. So, she would like to know when the spraying will be done. Raymond Escoto responded that he would give the co-chairs Mr. Knight & Mr. Kline the information, and he had not heard of that and didn't know if anyone else on the board had heard either. He stated that he will find out if it is a rumor or not and get it

straight, and if the lakes are going to be sprayed the date that it will be done.

IX. Old Business

- a. Restaurant Update – Discussion Only – Raymond reported that the restaurant contract was signed at 2:00pm today and that the opening date would be September 15, 2025. Raymond Escoto did address the possibility of them doing something for the 5th of July for the community during their negotiations. They were open to the idea, but they did not give a hard yes or no.
- b. Security Update – Discussion Only – Raymond Escoto reported that we have hired two employees for security and are awaiting their background checks to come back. This could take up to 45 days and the 45 days have not been reached yet. Once the background checks come back and the vehicle is ready, Mrs. Butler is ordering the plaques for the doors then the security will be in place.
- c. Hotel Update – Discussion Only – Raymond Escoto reported that the hotel contract has been approved, and renovations on the outside will be completed first which was started on Monday. They are 2 days behind due to the weather. What they have started to do is power wash the outside to remove the paint. They have inspected the catwalk, so the foundation for the catwalk looks good, but the seam still must be ripped out and repoured. That will take place next week. The hotel will be shut down from the 13th through the 19th this month so that the concrete can be broken up and pulled out and new concrete poured. They anticipate this work for the renovation of the outside to be completed by the 25th of June depending on the weather.
- d. Maintenance Updates – Discussion & Potential Action – Raymond Escoto Reported that he had a discussion with Romy the operations manager about new signs, it had been mentioned in past board meetings that they need to be TX DOT approved right signage post. Romy is getting some prices so that can be done. Raymond reported about the Airport and that they tried to get in touch with the airport committee chair but that they have been having some family medical issues, so it's been a little touch and go on communication. Raymond Escoto stated that he thinks that at one of the prior board meetings the committee chair wanted to meet as far as getting the runway patch work done. Raymond Escoto reported on the roads, that was discussed earlier in the meeting.
- e. Irrigation Update – Discussion Only – Was discussed earlier in the meeting.
- f. Pro Shop Septic Update – A hardwire pump has been put in place at the Pro Shop. A new septic system is not required and there have not been any issues with the septic system at the pro shop.
- g. Post Office A/C Update – Discussion Only – A new A/C was put in place. Heritage did have to go back out and check some issues with it.

X. New Business

- a. Policies Update – Discussion & Potential Action – Raymond Escoto reported that the board discussed and agreed that there are several policies that need updating due to multiple policies for one item. They will get those policies updated and once the policies are updated, they will let the property owners know which ones were updated and what changes were made.
- b. TCEQ dams plan – Discussion and Potential Action – Discussed earlier in the meeting.
- c. Website Launch – Discussion Only – Tiffani McKinney reported that we spent a lot of time developing the website and going over what would be used more all the way down to what would be used the least. We spent a lot of time organizing it and condensing it to make it as user friendly as possible as well as making it easier for the staff to make any updates. It is still working in progress. Tiffani McKinney reported that we were spending \$700 a month on the old website which we had to always get somebody to fix. We switched to this new website, and we are paying \$1620 a year, so it's about a \$6,700 savings for us changing the website.
- d. Capital Expenditures – Discussion & Potential Action – Tiffani McKinney reported that last fall there was a priority list that was made for things that needed to be done around Hilltop. And some of those things have already been done, some are in the process of being done like the irrigation system. And some of the things that we as a board kind of need to look at and decide, okay, what's most important, the least important on this list. Some of the biggest things right now that we really need to address probably is the campground washhouse that is in bad shape and septic system program. There are some things on the list that are not on the list that need to be looked at like the interior of the hotel, the retaining wall at the villas for parking, and the flooring at the welcome center and the pro shop. Raymond Escoto added about the hog hunting mitigation, he stated that we did have an individual Mr. Troy Frank, he stated that we have done away with him and have given the hog mitigation to the wildlife club.
- e. Take Back Lots- Discussion & Potential Action- The board reviewed the list, and Doug Johnson motioned to take back the lots. Tiffani McKinney seconded the motion, unanimously approved.

XI. Members to be Heard –

- a. Joyce Perkins – She announced that they are in the end of registration for their drama camp, this is their 11th drama camp, it started after Granny Camp. Granny Camp finished in 2010. They have been going for a long time and it's full, but they will take more. Their director that's doing the auditions and does all the set up and they are doing the Wizard of Oz. One of those nights, maybe Thursday, which is July 1st, is going to show Wicked in downtown Normangee. For the Freedom Fest she will be looking for people who want to become part of human slot machines. They will have 3 people do this. They will have a music camp in two weeks later. They have a great piano teacher right here on the Hill and she wants to do

music. So sign kids up for the music camp. One thing that is on her mind that she guesses is a maintenance issue, and they are not OCD as most people but, are we ever going to finish the repairs that were done at the post office? Raymond Escoto responded, yes, Mr. Chase was in there when they were looking at the air conditioner and making a list of everything that needed to be fixed. Raymond Escoto also addresses a property owner requesting an extension on building his house that he forgot to mention. He is asking for a 30-day extension. Motion to approve the 30-day extension made by Biff Adam, seconded by Kyle Beale, unanimously approved. Randy Patro asked if there was an additional fee for the 30-day extension, Raymond Escoto replied yes there was an additional fee for the 30-day extension.

- b. Sylvia Guzman – water rights – She asked if anyone has seen the article in the newspaper this week. She stated that there is a deadline of June 19th, which is Father's Day. They are contesting this poaching of our water because they had no idea that they were going to do this. She stated that somebody was at church in another county and mentioned it to someone and the commissioner then got wind of it in that county. Then they contacted our commissioner. We wouldn't have known about it at all. The application for wells that have been submitted are about 7,000 in Anderson County that they have rights to submit for the wells. Right now, the law states that they can get water. So, our goal is according to Judge Ryder who was extremely concerned about this and very angry with the way this was done. He said that the goal is to try and change the legislation right now. If you read the legislation chapter 36 of the Texas Water Code, it's boring to read but it's critical because this is going to be an ongoing concern for us for the rest of time. She was giving the green light to build a website for this, and she is going to donate the website because this is going to be an issue for us forever, because there are thousands of thousands of acres that have been sold in Texas being bought by hedge fund companies to build and there's legislation that was passed in previous years. There are two legislations, one was that they were allowed to build rental properties for rental homes, apartment complexes, army parks and manufacturing housing, swamps of land. And so, there were just building like crazy, and this is all funded by hedge funds by large hedge companies like Black Roc, and several others. The other legislation that passed along with the previous one was a requirement for these areas to build retention ponds, a type of system where they are supposed to be collecting rainwater. Raymond Escoto asked Mrs. Guzman to stop for a minute in order to let Mr. Farrell Butler leave so that he could go to work. Mr. Farrell Butler left at 7:34pm. Sylvia Guzman continued with Judge Ryder giving her forms to have everyone fill out. She also stated that Judge Ryder would also like to have everyone that has a well to have their well registered. She said it's not going to affect our wells. She also stated that they are asking for 10 billion gallons of our water.

- c. Randy Schimarra – stated that every time during the election, the number one issue were the deed restrictions that the previous board had changed our deed restrictions and took away our rights the property owners' rights. In case you didn't know about five people can now change all of our deed restrictions anytime they want. So, one of the major issues during the election was to get that changed back. So, his question and everybody keeps calling him and contacting him, why haven't they changed that back? We have a right to change it. He knows we've been sued over it, there would be too and if they have the right to change it back why are we not changing it back? Raymond Escoto replied that he is not 100% sure if they have the right to change it now, especially with the lawsuit. They can meet with the lawyers; they are still waiting for a response from the other group. Kyle Beale added that they cannot discuss all the legalities, and they will have to contact council about how to do that. He also stated that they just heard back from the lawyers regarding their communication with the other side.
- d. Randy Patro – Asked how many amenities lease programs we have today. Tiffani McKinney answered that there were five. Patro then stated that, and they are \$1500 a piece? And how many of them include the free-range balls? Tiffani McKinney answered yes, and all of them. He then asked how many of them get free carts? Tiffani McKinney answered None. He stated that there is still a lot of grumbling about the lease process. He asked if there is somewhere in the covenants that we can mention or let them know about where it was that we were able to go ahead and make this adjustment and rather than go with the lease program amenities in terms of restrictions that we can or cannot allow you to do that. Raymond replied that he would have to follow up on that, he was not sure exactly where it was but that we would do our due diligence and some research and will get an answer back to him. Randy Patro stated that it was not in the deeds or in declarations, and that in all of those areas it refers to that the amenities and the common grounds are for use by the property owners. Raymond Escoto replied to correct him if he's wrong, but when an individual comes and pays \$1500 for an amenities package, they essentially own that lot for a year. Randy Patro asked if you could see that on the taxes. Tiffani Mckinney stated that part of the \$1500 includes the taxes on that lot. The \$4 or whatever is for that lot. Raymond Escoto stated that what he thinks he's asking is that the property showing up with their name on the property taxes? A property owner stated that it is still our name on it. Tiffani McKinney stated that she had a question about what Randy had to say. She stated that yes, we have an election coming up and two of you guys got on here before that and three of you guys were on last year and then and the other people were appointed, so who is up for election when it comes time as it is? Raymond Escoto replied that Mr. Beale is up for election, Mr. Adam is up for election, and Mr. Johnson is up for election. The property owner asked if it was because they took those

other people's place? Raymond Escoto stated that those three were appointed when the others stepped down.

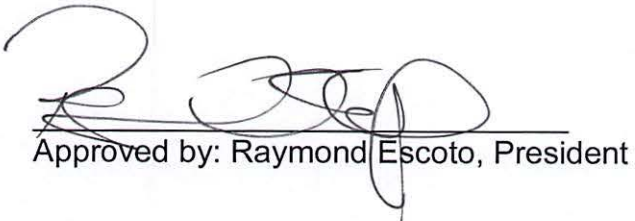
XII. Announcements-None

XIII. Adjourn – Motion to adjourn made by Bill Williamson, seconded by Doug Johnson, unanimously approved at 7:44pm.


Prepared by: Ruby Butler

Date

6-30-2025


Approved by: Raymond Escoto, President

Date

6-30-2025

NOTES:

- 1) Open Session and uploaded to the members' only area of the website the following business day.
- 2) Video recording/Livestreaming of the meeting was allowed and approved by the Board of Directors.