



14 County Road 480 Palacios, Texas 77465
Phone: 316-972-3998; email: office@tricountypoa.com
Website: www.tricountypoa.com

Special Board of Directors Meeting Minutes
December 17, 2025

1. Call to Order

Meeting was called to order at 7:06 p.m. by President Ronnie Mears

Establish quorum - the following directors were present:

Ronnie Mears	President
Lynda Switzer	Vice President
Jan Park	Secretary
Karen Gallaher	Treasurer (attended via phone)
John Moore	Director

Opening remarks from Board President

Ronnie stated that future meetings would be held in person and it was his intention that owners that did not live in the community would be able to attend online.

Overview of meeting purpose: governance questions related to Section 5 Commercial and potential Declaratory Judgment. The meeting was called to try and reach an amicable agreement with Stanley Kazwell, majority owner of Commercial Section Lots.

2. Executive Session: Attorney Consultation.

The Board convened in Executive Session 6.33 p.m. pursuant to the Texas Open Meetings Act to consult with legal counsel regarding matters related to the Commercial Section.

3. Return to Open Session

The Board reconvened the meeting at 7:57 p.m. No action was taken regarding Executive Session.

4. Public Comment/Property Owner Input

William Moreland volunteered to operate the maintainer to help repair deteriorating roads. He was told that operational decisions fall under the General Manager.

Don Phillips encouraged a business-friendly approach, emphasizing the Trading Post's value. Ronnie stated that successful businesses do benefit the community.

Stan Kazwell prior to the meeting, passed an information sheet regarding his position on the Commercial Section. The handout is attached to these Minutes as Attachment 1. The following key points were presented by Stan:

- Section 5 Commercial is a separate subdivision with no restrictive covenants.
- Residential covenants do not apply and cannot be imposed.
- Title documents do not list covenants.
- Maintenance of POA-owned parking lot and alley has been inadequate.
- Intent is to beautify and improve the commercial area.

John Moore (Director) expressed concern that the Association was being asked to maintain and invest in property that benefits the commercial area while having no authority to regulate conditions within that same area. He stated that this creates an imbalance and that any resolution must reflect a "two-way street" in terms of responsibility and control. He also added that maintenance and mowing had been done in that section.

5. Background Information – General Manager

Laurie responded to Stan's comments by reading a detailed timeline of communications from 2023-2024. The timeline is attached to these Minutes as Attachment 2. She also noted that historical treatment shows commercial lots paid dues, submitted architectural requests and complied with violations. She also stated that this issue came about when Stan was trying to purchase lots from Mr. Sonny Thompson and was required to pay back assessments. Stan informed her that no improvements had been made to the parking area was the reason that Mr. Thompson refused to pay dues.

It was noted that the parking area and the area the containers are placed is in a flood plain and the issue of flooding needed to be addressed. It was stated that Stan had not applied to the POA or the County to place the shipping containers where they were. He said that a container had existed in the area for approximately ten years. Laurie responded that the additional containers were placed without prior approval, which prompted significant concern from the community. She also said that container placement had previously been denied throughout the community during Stan's tenure as Board President. He responded that no restrictions prohibit the containers and that documentation was submitted after placement to explain their intended use.

The Board emphasized the importance of community awareness, consistency in enforcement, and maintaining the overall appearance and standards of the subdivision. It was noted that this matter had been going on for years and it was in the best interest of both parties to come to some sort of

compromise. Many dollars had been spent by Stan and the POA trying to get an answer as to whether Restrictive Covenants were applicable to Commercial and whether Commercial was or was not a part of the POA.

The following possible paths were discussed, noting that resolution would likely require either agreement among all Commercial Section property owners and the POA, or legal determination through the courts. It was suggested by Mr. Billy Koterak that the parties attend binding arbitration to see if some solution could be reached.

Lynda moved and John seconded that the Board meet with Stan and see if a mutually agreed compromise can be reached. Motion passed unanimously.

A property owner spoke about ongoing flooding concerns in the community. He stated that the area flooded in the past and seems to be getting worse over time. The owner said that water has traditionally come from the south, but now additional water appears to be coming from the north after a ditch was dug near neighboring properties.

Concerns were raised about the shipping containers currently on the property and possible future development, including covered structures. The owner stated that these types of improvements may increase runoff since the ground cannot absorb as much water. It was also mentioned that after recent rains, water has already been seen collecting near the roadway and moving toward the community center.

There was discussion about the property bordering a floodplain and the need to follow county ordinances concerning commercial development approval before moving forward with additional development. It was stated that this should have been done prior to placing structures on the property.

Additional discussion included drainage issues in the area, including limited ability for water to drain during heavy rains, lack of sufficient ditches, and prior changes to drainage features. The need for better drainage solutions, such as retention areas and additional culverts, was also mentioned.

In response to the comments Stan advised the Board that he had submitted a plan to the County to put a retention pond on the property. He was asked to provide a copy of the submitted plan to the Office.

6. Board Decision and Possible Action

1. Resolution Concerning Section V Commercial as recorded on slide 1674A of the plat records of Jackson County Texas.

- a. Discussion, review and possible adoption of a Resolution. Jan moved and John seconded to table. Ronnie yes, Lynda yes, Jan yes, Karen no, John yes. Motion passed.

164A of the plat records of Jackson County Texas

- a. Discussion and possible authorization to pursue a Declaratory Judgment regarding Section 5 Commercial. John moved and Jan seconded to table. Ronnie yes, Lynda yes, Jan yes, Karen no, John yes. Motion passed

7. Closing Remarks

Summary of actions taken


Next steps

Ronnie thanked everyone for coming and for their input.

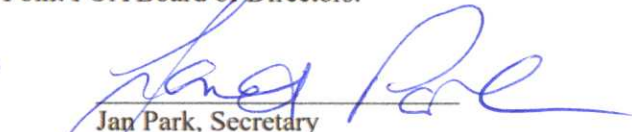
A motion was made and unanimously approved to meet with Stan and Michael and negotiate a solution. If no solution can be reached the Board will meet to decide if legal action or arbitration will take place. Item 6.1a and 2.a were tabled

- 8. Adjournment – John** moved and Lynda seconded that meeting be adjourned. Unanimous Meeting adjourned at 8:58 p.m.

The above is a correct copy of the Minutes of December 17, 2025, Special Board of Directors Meeting of the Tri-County Point POA Board of Directors.



Ronnie Mears, President



Jan Park, Secretary

Tri-County Point Property Owners Association
December 1, 2025

Dear Board Members,

I'd like to express appreciation for tabling the proposed motion regarding extending the restrictive covenants of Boca Chica Section 5 to Boca Chica Section 5 Commercial at the November 8, 2025 meeting. While the board considers its next steps, I wanted an opportunity to address the situation so any future decision is fully informed.

I am writing in strong opposition to any continuing efforts to extend the restrictive covenants of Boca Chica Section 5 (recorded in Volume 648, Pages 208-228, Jackson County Deed Records) to Boca Chica Section 5 Commercial.

A careful review the governing documents and applicable Texas laws, does reveal that the Board does not have the authority to impose these restrictions on Section 5 Commercial by a simple board vote, and any such action would be legally unenforceable and expose the Association to unnecessary liability.

Summary of Key Facts and Legal Analysis

1. Section 5 Commercial is a Separately Platted, Unrestricted Subdivision
 - No declaration of restrictive covenants for Section 5 Commercial has ever been recorded in the Jackson County deed records.
 - The Section 5 Declaration (Vol. 648, Pg. 208 et seq.) explicitly defines the "Subdivision" as Boca Chica Section Five only, according to its specific plat. It does not include, reference, or annex any commercial section.
2. The 2015 Second Restated By-Laws Do Not Impose Land-Use Restrictions on Unrestricted Property
 - Article II, Section 2 lists the "Properties" under the Association's jurisdiction by specific plat and recording information. Section 5 Commercial is not listed and has never been formally annexed.
 - The By-Laws govern membership, voting, assessments, and common areas — they do not create or extend deed restrictions that "run with the land."
3. Texas Law Requires Recorded Instruments for Enforceable Restrictive Covenants
 - Texas Property Code § 202.001: A restrictive covenant runs with the land only if it is contained in a properly recorded instrument.
 - Unrecorded rules, past practices, or board resolutions cannot bind unrestricted property or future owners.
4. Past Payment of "Building Permit" Fees Does Not Create Restrictions
 - Voluntary payments (whether for advisory plan review, common-area use, or mistaken belief) do not constitute recorded covenants.

Attachment No. 1

- The doctrines of waiver and estoppel apply only to existing recorded restrictions — they cannot be used to manufacture new ones on unrestricted land. Texas courts strongly favor the free and unrestricted use of property when no recorded covenants exist.

5. Proper Procedure to Impose Restrictions on Section 5 Commercial (if ever desired)

- In rural Jackson County (not subject to the reduced thresholds of Property Code Chapters 201 or 204), new restrictive covenants require unanimous consent of all Section 5 Commercial lot owners.

- A new declaration must be drafted, executed, acknowledged, and recorded in the deed records.

- A board vote alone cannot accomplish this.

The only lawful way to impose restrictions on Section 5 Commercial, if ever desired, would be through a new declaration signed by 100% of the owners in that section and properly recorded — something a board vote alone can never accomplish.

I respectfully urge the Board to reject any effort to enforce Section 5 restrictions on Section 5 Commercial without following the proper legal process. It will create confusion, invite lawsuits, and damage the credibility of the Association.

If the Board or membership believes uniform standards are beneficial, the correct path is to approach Section 5 Commercial owners directly, propose a new declaration, obtain 100% agreement, and record it — not to attempt a shortcut that Texas law does not allow.

This dispute has been painful, destructive and expensive. It has distracted us all from the mission of creating a great community. I strongly encourage the board to permanently abandon any further attempt to deny the rights of Section 5 Commercial property owners. May we all join together to build a great Boca Chica. Thank you for your careful consideration.

Respectfully,
Stanley Kazwell
2 Squid Lane
Palacios, TX 77465

Attachment No. 1



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Website: www.tricountypoa.com

Information request received 2-16-2025 Item Number 2, Item Number 3 & Item Number 4

ITEM NUMBER 2: Timeline of communications along with summary between Mr. Thompson (DBA House of Hope, Banah Investments) &/or Mr. Kazwell.

- 2-24-2023 @ 11:56am: Email received from Mr. Thompson from House of Hope email;
- 2-24-2023 @ 1:40pm: response sent from Office requesting information. Received no response.
- 2-25-2023 @ 10:19am: Email received from Mr. Thompson's wife.
- 2-25-2023 @ 11:42 am: response from office sent.
- 4-7-2023 @ 12:01pm Mr. Thompson states he is still waiting for a meeting.
- 4-10-2023 @ 10:05am response from office inquiring about meeting topic so the Board can decide if this is something that needs to be placed on the agenda. Previous emails sent by Mr. Thompson were not being sent to the correct Board emails. No response was received.
- *Note* There were 7 Board Meetings called (3-17-2023, 7-1-2023, 9-20-2023, 10-12-2023, 11-9-2023, 11-16-2023, 12-2-2023) & 1 annual membership meeting (12-2-2023) with no attendance from the Thompsons.
- 9-15-2023 @ 2:08pm Mr. Thompson request account balances.
- 9-17-2023 @ 6:47pm balances were provided.
- 10-27-2023 @ 8:36am requests maintenance balances owed & Section 5 Commercial Covenants
- 10-27-2023 @ 8:57am sent balances & Section 5 Covenants
- *Note* several emails back & forth. Mention from Mr. Thompson that this had been an issue for years & requests fees be waived as the Association has no legal right to collect Assessments because Section 5 Commercial is not a part of the Association because there are no covenants specific to Section 5 Commercial.
- 10-27-2023 @ 2:28pm Correspondence forwarded to legal.
- 10-27-2023 @ 3:58pm response received from legal stating that they would review & provide comments the following week.
- 11-15-2023 @ 1:20pm Mr. Kazwell enters office requesting balances owed on the Section 5 Commercial lots owned by Mr. Thompson stating he may be acquiring those. Staff phoned Mr. Thompson at 1:26 pm to get approval to share those balances with Mr. Kazwell, which Mr. Thompson gave. Mr. Kazwell was provided with the balances owed.
- 11-17-2023 @ 1:56 pm inquired about an update from legal.

Attachment No. 2

A handwritten signature in black ink, appearing to be "D. Kazwell", is located in the bottom right corner of the page.

11-17-2023 @ 2:26pm staff responds that there was no update yet.

Note Legal had been involved in a major car accident early November which the Association was unaware of until late November.

12-1-2023 legal provided a preliminary response only & stated a legal opinion would be quite costly.

12-8-2023 @ 10:04am staff responds that assessments owed stand

1-25-2024 2:03pm Mr. Thompson responds that he disagrees & encourages fees on his commercial properties to be revoked.

1-26-2024 @ 9:45am staff responds that fees stand.

1-26-2024 @ 11:15am Mr. Thompson responds that he disagrees.

No further communication from staff sent.

Staff received no email correspondence from Mr. Kazwell but reported that Mr. Kazwell questioned if anything had been received from legal concerning commercial lots while he & Mrs. Hall were there volunteering for an Architectural Controls Meeting on 12-5-2023. Mrs. Hall was not on the clock at this meeting. On February 23, 2024, Mrs. Hall signed for a certified letter which was from Mr. Kazwell's legal counsel to Mrs. Hall disputing the Association's authority to collect Assessments.

ITEM NUMBER 3: Timeline on information request received from Title Company for 16 commercial lots & Staff response

On 2-8-2024 @ 1:17pm the title company emailed a request for balances on 16 lots located in Section 5 Commercial.

On 2-8-2024 @ 2:30pm staff provided the title company with balances on all 16 lots.

ITEM NUMBER 4: Timeline of any communications received by any Board member prior to contact from Mr. Kazwell's legal counsel

Nothing was received from Mr. Kazwell until 4-4-2024.

Attachment No. 2

A handwritten signature in black ink, appearing to be 'R. D. K.', is located in the bottom right corner of the page.