

WATERWOOD IMPROVEMENT ASSOCIATION, INC.
MONTHLY MEETING
January 19, 2026

CALL TO ORDER

President Rod Kirschner called the meeting to order at 9:00 a.m. on Monday, January 19, 2026, at the WIA Office. Rod Kirschner served as the meeting's Chairman. Directors present included: Louis Pabor, Derek Gill, Jamie Groskopf, Rod Kirschner, Rob Davis, Sam Butler, Phyllis Lavallais, and Greg Gusman. Absent Directors: Melanie Cook. Others present were Executive Director Lisa Hayman, Melissa Gill, Ed Kile, Sue Kile, James Schwebach, Shelly Schwabech, Raymond Ramirez, Melinda Ramirez, Marie Murphey, Alex Chrestopoulos, Carole Magee, Mike Ross, Kathy Samperi, David Beving, and Melissa Whitley.

MINUTES PRIOR MEETINGS

President Kirschner made a motion to approve the December 13, 2025, meeting minutes. Director Butler seconded the motion carried 8 to 0.

President Kirschner made a motion to approve the December 15, 2025, meeting minutes. Director Lavallais seconded the motion carried 8 to 0.

Comments from Property Owners

- None

Property Owner Document Request

Kathy Samperi's request for the election records and document charges. President Kirschner explained that the charges incurred are in accordance with Waterwood's books-and-records policy. Director Pabor made a motion to provide the requested election records and documents to Kathy Samperi at no charge. Director Lavallais seconded the motion. After a lengthy discussion, the motion carried 8-0.

EXECUTIVE DIRECTOR

Executive Director Lisa Hayman reported:

- The WIA office has been busy receiving the 2025 Annual Charge payments & payment plan requests.
- 35 Waterwood properties coming up for Constable & Tax Sales in May 2026.

ARCHITECTURAL REVIEW COMMITTEE

Kathy Samperi reported that the ARC:

- 3 Approved ARC small improved application
- ARC questions (clearing of lots)

MAINTENANCE

Director Gusman reported he has received 3 bids for repairs of the WIA-owned Bassboat Village unit. WIA has received 3 bids for the Fire station roof repair. The bids were opened and reviewed by the WIA Board of Directors. Director Groskopf made a motion to authorize repairs to the Bassboat Village unit, not to exceed \$10k, and accepted Hendrix's bid of \$9k. The motion was seconded by Director Gusman, and the motion carried 8-0. Director Lavallias made a motion to authorize \$13k and accept the C&C Roofing bid of \$13k. The motion was seconded by Director Butler, and the motion carried 8-0.

President's Report

President Kirschner reported:

- New York Lien Holder & Pending Lawsuit-Quiet Title.

Director Groskopf made a motion to request time to make this decision regarding the New York lien holder's offer for WIA to buy the liens on 150 WIA properties for \$150k, and to speak with Waterwood Partners to see whether Waterwood Partners would be interested in these properties. The motion was seconded by Director Gusman, and the motion carried 8-0.

STRATEGIC PLANNING

Director Groskopf reported:

- The Vending Machines are at reduced winter stocking levels.
- WIA Builder Incentive program for WIA-owned is waiting on a contract from legal.

DEED ENFORCEMENT

President Kirschner reported:

- No new DEC violations for January 2026.

COLLECTIONS

Melissa Gill:

- As of 1/15/2026, the WIA office has collected 668 properties for 2025 assessments.
- 31 Signed and returned payment plans for 2025 assessments.

AUDIT/FINANCIAL

Director Davis reported going back 5 years.

- Annual Charges
- Investment Income
- Total Revenue
- Bad Debt
- Revenue/Expenses
- Adjusted Bad Debt
- Adjusted Revenues/Expenses
- 2026 WIA Budget

It was shared that all the information for this analysis came directly from the WIA website's audited financials. In summary, WIA has enjoyed unprecedented revenues in the last three years, averaging over \$1,500,000 over the period ranging from (including) 2022 through 2024; however, it has also experienced an unprecedented imbalance in Adjusted Revenues/Expenses equating to over \$384,000 in annual average **loss** over the same fourteen years. It was stated that this analysis points to the need for a better understanding of where WIA has spent so much more money over the past several years. Director Groskopf objected to the claimed annual losses as a misinterpretation of standardized and expected bad-debt write-offs being accelerated or double-counted, and does not reflect actual annual losses, and advised the Treasurer to communicate with the Association's Auditor for a complete understanding of the recent financial picture, which he has not yet done, prior to making claims that could be misconstrued by the membership. This financial picture was later contradicted by the annual budget discussion presented by the same Audit/Finance Committee, where the Committee recommended an expected balanced budget with a 5% increase in expenditure on expected flat revenue growth, with the same level of property collections revenue as the previous year. "Director Davis made a motion that the WIA office staff provide the treasurer and all members of the audit/finance committee with a complete, detailed list of all annual expenses for each accounting code used for 2022, 2023, 2024, and 2025. Copies of all current contracts pertaining to any WIA expenses and interests, including, but not limited to: LCS contract, legal contracts, and all employment contracts. The motion was seconded by Director Butler, and the motion carried 8-0. Director Pabor made a motion to approve the December financials. The motion was seconded by Director Groskopf, and the motion carried 8-0. Director Pabor made a motion to approve the 2026 WIA budget. With Security remaining on 12-hr shifts. To revisit the possibility of going to 24-hr shifts within the next two months if costs allow. The motion was seconded by Director Gusman and passed 8-0.

EXECUTIVE SESSION

President Kirschner made a motion to adjourn to executive session at 11:30 am. The motion was seconded by Director Gill, and the motion carried 8-0.

Personnel and legal matters were discussed. President Kirschner made a motion to adjourn the executive session at 1:10 pm; the motion was seconded by Director Lavallias, and the regular session was reconvened at 1:20 pm. The motion carried 8-0. President Kirschner made a motion to add 4 new members to the ARC, bringing the total to 7. The motion was seconded by Director Gusman, and the motion carried 8-0.

BYLAWS AND COVENANTS

- None

COMMUNITY COMMUNICATIONS

- None

COMMUNITY SOCIAL EVENTS

Director Lavallias reported on:

- 2/07/2026 Mardi-Gras
- 4/11/2026 Spring Fling
- 7/4/2026 4th of July

LIASON TO WATERWOOD WOMEN'S LEAGUE

Director Lavallias reported that the WWL January Meeting was held at Kim's garden, with 24 members in attendance. The February 15th meeting will also be an outing dinner and a show at the Sam Houston Theater.

LIASON TO CITY AND STATE

Director Butler reported on:

- December 12, 2025, the Commissioner's Court voted to appoint nominees for ESD 2. Precinct 1 Commissioner Sweeney nominated Lisa Hayman, and the vote was 5-0. Precinct 1 Commissioner Dominy nominated Mickey Culpepper, and the vote was 5-0.
- January 07, 2026, Commissioner's Court small agenda, no items of interest to Waterwood.

ESD 2

Director Groskopf reported on the ESD#2 Commissioner's appointments of Lisa Hayman, who was reappointed for a 2-year term. Mickey Culpepper was also appointed for a 2-year term. New officers are President Marie Murphey, VP Alex Chrestopoulos, Secretary Lisa Hayman, Treasurer Mickey Culpepper, and Assistant Treasurer. Treasurer Patrick Marshall.

Chef Ed Kile asked the WIA Board of Directors for permission to use the WIA parking lot for the second annual Waterwood Fire and Rescue Fair on May 16, 2026. The WIA Board of Directors agreed.

LIAISON TO MUD

Director Groskopf reported:

- 2025 Loss \$56,000.
- Sinkhole at Bassboat Village
- Asphalt on Bayview Circle needs to be repaired
- Finalizing some vendor billing issues from 2025

LIAISON TO WNGRA

- None

SECURITY

Director Gill reported that security responded to 8 calls. Director Gill stated that he will be purchasing a new computer and printer for Waterwood security.

Elections & Nominations

Director Davis pointed out that he, President Kirschner, and others never received their proxies prior to or at the annual meeting. Correspondence between President Kirschner & director Davis was shared and is attached to these minutes. It was also pointed out that Article XIV of the current WIA bylaws (also attached to these minutes) spells out that the proxies “shall be in writing and filed with the secretary prior to the meeting.” Director Davis pointed out that he confirmed with the secretary that he had discussed the proxies and later confirmed again that the secretary had never received the proxies “prior to the meeting”. A copy of Article XIV from the WIA Bylaws was also shared by Director Davis at the meeting. Director Davis made a motion to invalidate the 2 in-person votes cast at the membership's annual meeting on December 13, 2025. Due to the proxies not physically given to the designated representative. Director Groskopf explained that everyone attending the annual meeting was given ample opportunity to come and collect their proxies. President Kirschner said this matter needs to be discussed with legal because the WIA Board of Directors does not have the authority to invalidate a vote of the membership. Director Groskopf addressed Treasurer Davis that not only are the two items brought up during the meeting in question, but also the amendments voted on during the election had to be in question because Treasurer Davis “could not pick and choose”.

UNFINISHED BUSINESS

- Multipurpose-Building
- Fireworks
- Books & Records
- Security
- Code of Conduct
- New York Lein Holder

NEW BUSINESS

- None

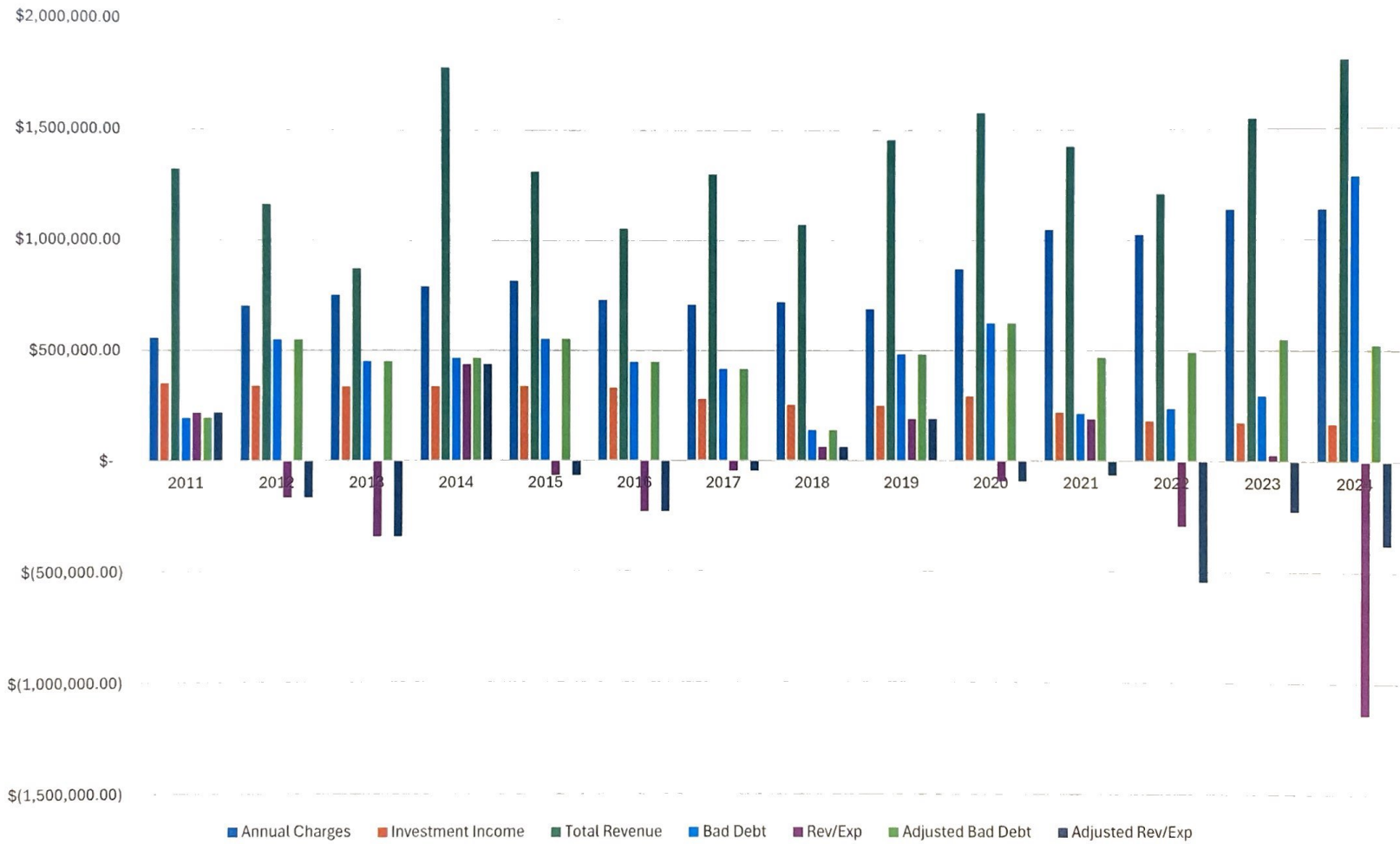
Director Butler made a motion to adjourn the meeting. Director Gill seconded the motion, and the motion carried 8-0.

Meeting adjourned at 3:10 p.m.

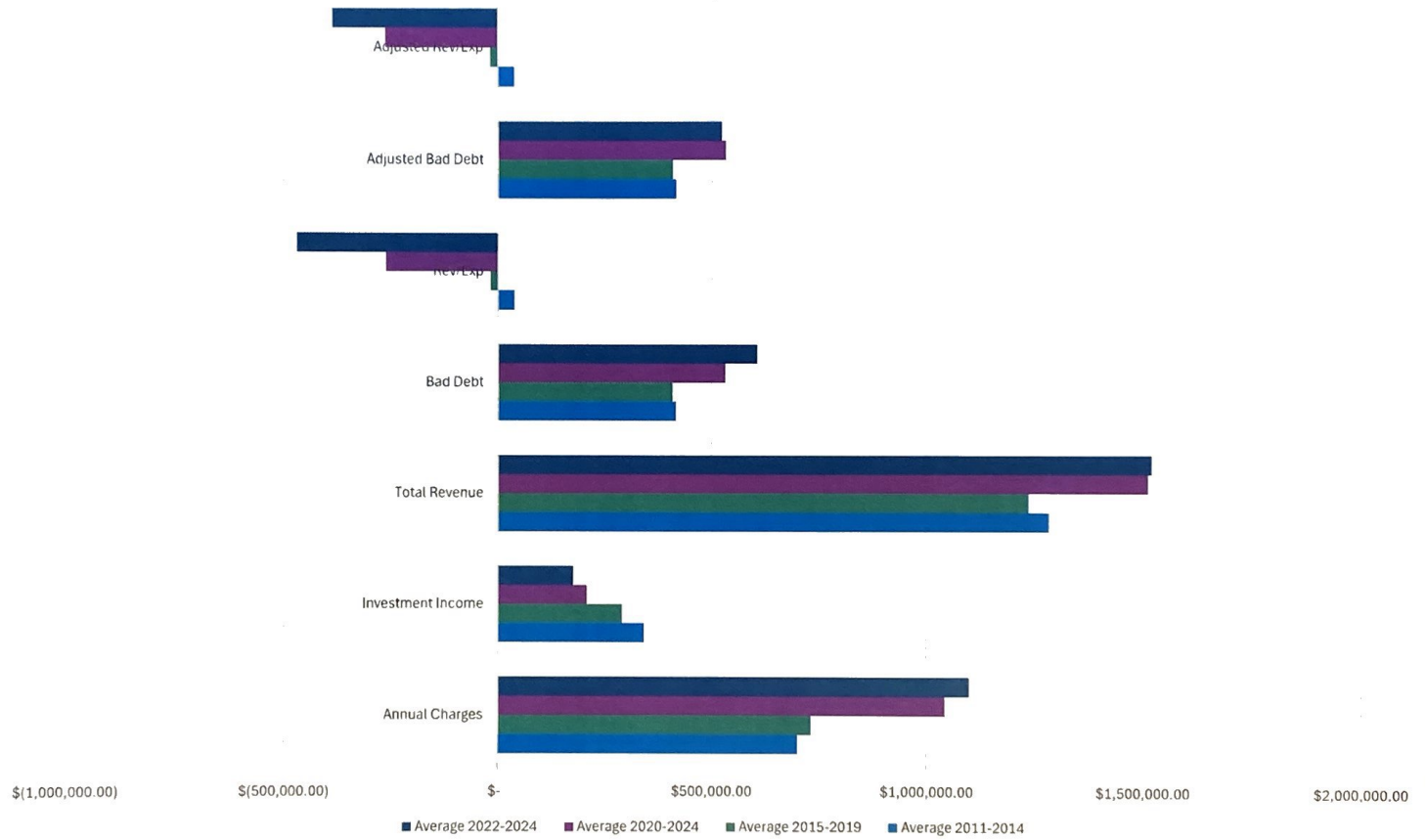
04/21/26 Date
[Signature] President
[Signature] Secretary

Copies of approved and signed minutes are available at the WIA office (Preliminary Minutes - Until approved at the February 16, 2025, WIA Board Meeting)

Annual Comparison 2011 to 2024 WIA Audited Financials



Average Comparison over 4 to 5 year Intervals of WIA Audited Financials



From: Rod Kirschner <rocketet1@gmail.com>
Subject: Re: Votes at Saturday's Meeting
Date: December 15, 2025 at 6:49:10 PM CST
To: Rob Davis <westernfalcon@me.com>

Yes , I was not given my 17 proxies, either. The proxies should have been passed out to the 20 something people given proxies.
Sent from my iPhone

On Dec 15, 2025, at 6:12 PM, Rob Davis <westernfalcon@me.com> wrote:

Rod,

I question the validity of all votes taken during the Saturday annual meeting. I was told by several people that they proxied their vote to me for these exact situations. I was never given my proxies at the meeting like I have been in years past. Lisa handed me proxies at the last annual meeting. Therefore, I was not able to use the proxies that were assigned to me. I suspect that could change the votes.

We really need to do a much better job of following protocol and Texas law in the future and by definition we are forced to throw out these invalid votes.

This needs to be added to the agenda for the next BoD meeting.

Rob Davis
westernfalcon@me.com
Mobile: 832-347-8029

is filed with the county clerk is dissolved by operation of law. An election held or conducted by a dissolved committee is ineffective for any purpose under this section.

- (h) The election committee may call meetings of the owners who are members of the property owners' association for the sole purpose of electing board members. Notice, quorum, and voting provisions contained in the bylaws of the property owners' association apply to any meeting called by the election committee. (Source: Section 209.014, Texas Property Code).

Article XIV – VOTING & PROXIES

1. At all Association meetings of members, each member may vote in person or by proxy the number of votes to which the member is entitled. Votes may be cast for all matters which may properly come before the meeting; except for election of Directors as voting on this matter shall be by ballot only as described in Article VI.
2. A proxy form shall be mailed to each member entitled to vote at the Association meeting called, whether it be an annual meeting or a special meeting. Such mailing shall be postmarked at least fifteen (15) days in advance of the date of the meeting.
3. All proxies shall be in writing and filed with the Secretary prior to the meeting. To be valid for use in voting, the proxy must (a) name the member; (b) identify the lot or living unit which entitles the member that vote; (c) name the person(s) entitled to vote the proxy; (d) be signed and dated by the member; (e) be received by the Secretary by the date set forth on the proxy; and (f) be certified by the Election Committee that the proxy was given by a member who is entitled to vote. No proxy shall extend beyond the period of eleven (11) months from the date signed, and a proxy shall automatically cease upon conveyance by the member of his interest in the lot or living unit which entitled the member the vote granted in the proxy.
4. A member who gives his proxy to the Association may, if he attends the meeting, take back his proxy before the meeting begins and vote in person on those matters which may properly come before the meeting.

ARTICLE XV – BOOKS AND PAPERS

1. The Association adopts this Article XV of these Bylaws to comply with Section 209.005, Texas Property Code. In the event of a conflict between this Article XV and Section 209.005, Section 209.005 shall control.
2. The Association shall make the books and records of the Association, including financial records, open to and reasonably available for examination by an owner, or a person