

INDIAN BEACH PROPERTY OWNERS' ASSOCIATION ANNUAL MEMBERS MEETING

August 25, 2007

The meeting of the Members of the Indian Beach Property Owners' Association ("IBPOA") was held on August 25, 2007. Roger Owens, President, called the meeting to order at 11:05 a.m. Directors present were Mackey Ball, Erik Ehring, Melvin Dow and Art Schroeder. Susan Gonzales with C. K. M. Property Management, Inc. ("CKM") was also present.

Roger Owens explained how the Developer, The Woodlands Corporation, originally set up the Association. Roger stated that the Association and its Board of Directors were responsible for the day-to-day activities, taking care of the recreational facilities, safety and security of the development. The Board of Directors consists of five (5) Directors elected who have staggered terms. CKM Property Management managed at the time the developer was in control. CKM does not make decisions and has no voting power. The Board directs CKM. The board meets quarterly and on occasionally will meet sooner if there is a need. The Board strives to vote with a unanimous vote. If not then the Board will gather additional information until the Board is in agreement.

Roger stated that he understood the importance of communication and that is why the website is up and running. Information will continue to be placed on the website for the property owners.

Roger Owens asked if a quorum was present. Mike Wilson, attorney for the Association, confirmed that at a quorum was established by a count of proxies received and members in attendance.

The Board of Directors was introduced by Roger Owens.

The minutes were reviewed. Upon motion duly made by Mackey Ball and seconded by Erik Ehring, the minutes of the meeting held August 5, 2006 were approved by the Members.

Erik Ehring, Treasurer presented the Financial Report. Erik stated the assessments, which were assessed in July, were at 83% collected. The repair of the walkovers was an unplanned expense item. As of July 31, cash on hand is \$140,823 and there are no unplanned accounts payable. The financial reports are placed on the website quarterly.

Jim Stephenson objected to the bollards at the end of his street. Susan Gonzales stated that the bollards are in place to keep trespassing fishing from occurring. Vehicles have been driving back on property owners' property to go fishing.

A property owner stated that the 911 phone at the pool was still not working. Susan Gonzales stated that this has been reported and will be repaired. The phone has only been in two months and was working when originally installed.

Roger Owens introduced Dianna Puccetti, City of Galveston Council. Dianna stated that the City of Galveston is working towards installing the sewer, within the next three (3) years. Dianna also stated that the west end needs a West Bay Crossing. Patricia Cowan stated that the drainage is a problem, the City will not cleanout the ditches. Dianna stated she would speak to Brandon Wade.

Discussion was held concerning the ditches draining, but flooding is still occurring because the ditches are not large enough to hold the water. Drainage culverts are plugged up and need to be cleaned out. Two years ago Jackie Cole came to the meeting and nothing was done.

Dianna stated that the west end pays 38% of the total tax base for the City of Galveston. The services you are receiving are for trash, police and fire protection.

Discussion was held concerning obtaining additional streetlights. Susan Gonzales stated that the last time we only received half the number requested. Dumping at the ends of the streets has slowed down but is still occurring.

Although the Association has hired an Officer to do extra patrolling, this is only to keep trespassers out of our pier, pool and tennis courts. For the whole west end of the island there are only three (3) Officers assigned by the City of Galveston.

Melvin Dow asked that when Dianna meets with Brandon Wade that a representative of the Board be present. Dianna agreed to set-up such a three-person meeting of Dianna, Brandon Wade, and one representative of Indian Beach. Dianna stated that she would obtain answers to our questions and give the information to Susan to be posted on the Website.

Roger Owens introduced Officer Bobby Adams who has been retained by the Association to patrol various areas of Indian Beach at various times.

Officer Bobby Adams stated he has stopped adults and children from climbing over the fence at both the pool and fishing pier. Officer Adams has also informed renters using the facilities that it is not allowed. Barbara Thomas asked what type of vehicle he drives – a white Jeep. Officer Adams contact information will be placed on the website. Two crimes were reported one a break in of a van and the other of a home under construction.

Mackey Ball stated that Gulf Coast Palms removed the dead palms after trying to get them to do so for the past eight (8) months. The problem with replacing the palms is that there has been quarantine on palms out of Florida. We did get a second bid but it was at double the price bid by Gulf Coast. A legal demand letter was sent. The Board felt that it was worth waiting as the price difference is \$250 vs. \$450 per palm. Discussion was held on the watering of the palms and the cause of losing so many palms. It was stated that watering should be by the Association and not by the property owners.

Last year a request for solar lighting at the pier was made and the Board investigated installing lights. The price for solar lights was restrictive, but electric lights would cost less. The Board will review running electrical out to the pier. Property owners stated that a light is needed at the parking lot. Last year the request for lighting the pier was for night fishing. The Board

stated they would be placing lights at the pier parking light. Dianna Puccetti stated she might be able to help on getting the City of Galveston to install a light.

Bids are being obtained to resurface the tennis court and to install windscreens. The pool fence is in need of repair or replacement. Bids are being obtained as well for this work. A property owner asked how many bids would be obtained on any work, the Board obtained three (3) or more bids.

Mike Wilson, Attorney for the Association, conducted the election. Mr. Wilson explained the vote by proxy and ballot procedure based on the Articles of Incorporation and the Bylaws of the Association.

A nomination from the floor was for David Thomas. A motion was made and seconded and by unanimous vote David Thomas was nominated as a candidate for a Directors position. The nominating committee of the Board nominated Roger Owens. Both David Thomas and Roger Owens gave a brief biography and stated reasons for running.

There being no further nominations, nominations were closed and a call for a vote by ballot was made.

Mike Wilson appointed a Voting validation Committee of Melvin Dow, Art Schroeder and Camille Soullas. The meeting took a short break while the votes were being counted and tabulated by the Committee. At the conclusion of the counting and canvassing of the votes, Mike Wilson stated the election results as follows: (1) Schultz, (31) David Thomas and (54) Roger Owens. Thus, Roger Owens was declared elected for a 3-year term.

Requests by property owners were for a second entrance sign, and more members meetings for better communication.

Art Schroeder stated he was very impressed of the website and felt this is an excellent way to communicate to the property owners. The Committee process will also improve communication. The Board will consider an additional members meeting for face-to-face communication.

Patricia Cowan stated that since the last members meeting there has been a lack of transparency and communication. Ms Cowan stated this meeting is better and felt more comfortable with the Board.

Discussion was held concerning the Architectural Control Committee and how it worked. David Thomas explained that the committee does not meet. Plans are sent out by CKM to the members for their review.

A property owner stated that there are two (2) trash cans at the pier and are not emptied. The City of Galveston will be contacted,

Discussion was held concerning putting the restrictions into one document, the Board stated it would be difficult to get the percentage needed to respond.

Discussion was held concerning lot mowing. Susan Gonzales stated that the Woodlands Corporation was paying a mower who hayed and sold the hay. Susan stated after discussion by the Board it was decided that the contractor would no longer get paid but could continue to mow. The problem is that not all areas can be mowed. The Board will look at other alternatives. Property owners can be billed once a year and pay up front for the mowing.

Discussion was held concerning the two (2) lawsuits concerning chain link fences. Melvin Dow stated that in the Linden case the Appellate Court reversed the holding of the trial court to the effect that the restrictive covenants permitted chain link; thus the Appellate Court held that under the existing restrictive covenants the architectural control committee had the authority to prohibit chain link fences.

Susan McKirahan-Gonzales, Secretary, August 25, 2007

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