

BAHIA BAY PROPERTY OWNER'S ASSOCIATION
ANNUAL MEETING
February 12, 2005
Rockport, Texas

Call to Order

Jim Remitz, President, called the meeting to order and welcomed everyone. He introduced Ray Herrod and Ruben Corkill, board members.

Mr. Remitz noted that Sam Kenny, Secretary, was not present at the meeting; therefore, Linda Hartdegen acted as Secretary of the meeting.

Minutes of Previous Meeting

Mr. Remitz asked those present if they read and approved the minutes of the previous meeting. Merlin Hartdegen made a motion approve the minutes; the motion was seconded and unanimously approved.

Treasurer's Report

Larry Reed, Treasurer, discussed the audited financials presented to those attending the meeting. The report was discussed in detail; questions from the floor were asked and answered by Mr. Reed to the satisfaction of those present. Expenditures in 2004 related to the bulkhead repair were discussed. Mike Watkins asked for a more detailed breakdown of expenditures, including legal fees. Mr. Remitz advised that the association spent approximately \$150 in legal fees in 2004. Questions came up concerning money spent on bulkhead repairs in 2004 and the anticipated repairs for 2005 and 2006; therefore, the Treasurer's report was tabled.

Bulkhead Committee Report

Don Hennigan gave a report on the expenditures to repair the bulkhead in 2004 and explained the importance of maintaining the bulkhead. The settling problem on Lands End and Windjammer closest to Highway 35 was discussed in detail and questions from those present were answered. It was pointed out that if the bulkheads were not repaired and maintained, they would affect the bulkheads of neighboring property and create a "domino effect" that could result in similar problems currently being experienced at City By The Sea. Mr. Hennigan read an excerpt from the City by the Sea newsletter that discussed how the bulkheads in certain areas have completely washed out resulting in major repairs. Much discussion followed about how maintaining the bulkheads would prevent the type of repairs now being experienced by City by the Sea. He stated that the association spent \$9,225 on two jobs in 2004. He also explained how the Bulkhead Committee is working with individual property owners to make the repairs to the bulkheads in the most cost-effective way.

Harrilyn Tipton asked if the Bulkhead Committee was going to look at her bulkhead because she has some concerns. Mr. Hennigan advised her that her lot is on the list of bulkheads that they were going to look at.

It was requested that the Bulkhead Committee make quarterly reports to on the bulkhead repairs. It was agreed that the Bulkhead Committee would present quarterly reports on the association website.

Website: This brought up the fact that the website has not been maintained since Don Crawford moved. Dorothy McAbee volunteered to take over the website and keep it current. All those present approved and thank Mrs. McAbee.

Treasurer's Report

Larry Reed continued giving the Treasurer's Report, including the proposed budget for 2005. After some discussion, a motion was made to approve it. The motion was seconded and it was unanimously approved. A copy of the report is attached hereto.

Architectural Control Committee Report

B. J. Thomas stated that Merlin Hartdegen resigned from the committee and thanked him for all the work he has done over the last few years. He then gave the report as presented to those present. In 2004, the plans for three houses were approved, five houses were completed, modifications were made to three homes, three fences were approved and erected, and nine boat lifts/docks were approved. A copy of the report is attached hereto. Mr. Hennigan asked that in the future the Architectural Control Committee consult with the Bulkhead Committee on all boatlifts being constructed or altered. Mr. Thomas agreed.

Water Quality Committee

Ferrell Beck was absent from the meeting. Ray Herrod reported in his absence that a water report had been done in 2004 and that all samples were clean.

Sea Grass

The cost of removing sea grass from the canals and the method by which it had been removed in 2004 was discussed. Messrs. Remitz and Herrod explained that the association has contracted with another party to remove the grass and they believe that they can keep the cost under control. Some discussion followed concerning methods to eliminate the sea grass problem.

Old Business

Mr. Remitz proposed that the bulkhead repair resolutions adopted at the 2004 annual meeting and supported and reaffirmed at the special meeting held July 10, 2004 be ratified. Randy Chandler pointed out that it is not necessary to ratify and would possibly create a problem going forward by giving the impression that the actions taken pursuant to the resolutions were taken prior to being approved by the proper procedure of adopting resolution. After much discussion, it was agreed that there was no need to ratify the resolutions.

Stan Kerpoe stated that many of the homes in the subdivision are violating the covenants by not having a light in the front yard. Mr. Rimitz stated that the board needed the assistance of the association to determine which homes are in violation, then the board will write a letter to those homeowners.

New Business

Mr. Remitz discussed the need to review and amend the current covenants and bylaws. Much discussion followed and a motion was made, seconded and unanimously adopted that a committee consisting of Randy Chandler, Don Hennigan, Cheryl Beck, Layne Poteet and Linda Hartdegen review the covenants and bylaws. The committee will meet with the board to discuss proposed changes, including annual assessment language, and engage a corporate attorney to assist in the amendments. The purpose is to eliminate vague language and holes in the current covenants and bylaws. **This Covenant Committee's mission will be to bring the covenant's wording from developmental up to present day, mature involved community that it should be.** Pursuant to the Declaration of Covenants and Restrictions, approval of 75% of the owners of the fee title of Lots in the subdivision is required to amend the Covenants.

Mr. Remitz pointed out that one of the purposes in amending the bylaws is to increase the number of the board of directors from three to five, and that two of the directors will serve as the Secretary and the Treasurer, thus giving the Secretary and Treasurer the right to vote.

Mr. Remitz then nominated Larry Reed, Treasurer, and Sam Kenny, Secretary, as the fourth and fifth directors. Mr. Remitz also nominated Ruben Corkill for another term since his term was up. A motion was made, seconded and unanimously adopted.

The directors and officers for 2005 are: Year(s) served/ Term length

- Ray Herrod – President 2/3
- Ruben Corkill – Vice President 1/3
- Larry Reed – Treasurer 1/3
- Sam Kenny – Secretary 1/2
- Jim Remitz – Director 3/3

2005 Picnic

Barbara Reed will host the 2005 picnic. Ray Herrod offered the use of his business property as the location of the picnic.

Other Business

Ray Herrod discussed the property known as “Phase II of Bahia Bay”. He explained that Bahia Bay has a one-foot easement where the curb stops and extends the length of Lands End Street and ends where the street turns into Estes. He stated that there is no easement on Estes.

Some discussion followed concerning the land on the other side of Lands End. Mr. Herrod informed those present that the association’s attorney is of the opinion that Bahia Bay does not have any control over the referenced land and it does not fall under the restrictions of Bahia Bay.

Harrilyn Tipton commended Carla Reed for keeping the neighborhood informed about illnesses and deaths of neighbors and for her good works associated therewith. All those present acknowledged their gratitude to her for being such a good and thoughtful neighbor.

A motion to adjourn was made, seconded and approved.

Amended and approved:

February 11, 2006

Signed: _____;

Secretary “Sam” Kenny

Linda Hartdegen Meeting Secretary

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