

MINUTES OF THE BOARD OF DIRECTORS MEETING PIRATES' PROPERTY OWNERS' ASSOCIATION, INC.

The meeting of the Board of Directors of the Pirates' Property Owners' Association, Inc. ("PPOA") was held on January 14, 2006. The meeting was held at the Galveston Country Club. The meeting was called to order at 9:00 a.m. by Marty Baker, President. Directors Sidney McClendon, Nichi Dunphy, Durand Fooks, Gary Greene, Jim Huddleston, Suzanne Robinson, Terry Ann McNearney, Peter Doyle, Ron Pearrow, and Ross Margraves established a quorum. Susan Gonzales with C.K.M. Property Management, Inc. ("CKM") was also present. Directors Jerry Mohn, Jeri Kinnear, and Dick Kurager were unable to attend.

The minutes from the previous meeting had been sent by email for review. Motion was made by Nichi Dunphy and seconded by Ron Pearrow, the following resolution was unanimously adopted. **Resolved that**, the Board approved the Minutes of November 12, 2005, as presented.

Review of Financials by Gary Greene:

Collection accounts have been given to the attorney as directed by the Board. CKM collected 95% of dues.

Regarding equalization, the Board is waiting for results from the title search on all recorded restrictions and amendments. A meeting is needed to discuss the procedure. Committee members include Mary Baker, Sidney McClendon, Gary Greene, Jerry Mohn, and Nichi Dunphy.

Motion made by Gary Greene and seconded by Sidney McClendon, the following resolution was unanimously adopted. **Resolved that**, the Board approved the Financial Report of December 2005 as presented and the closing of one certificate of deposit.

PPOA has received a letter of credit in the amount of \$500,000 from Moody Bank. A motion was made by Gary Greene and seconded by Sidney McClendon to leave all funds at Moody Bank. Discussion was held, and the motion was tabled for further review.

Strategic Planning & Infrastructure Committee by Ross Margraves:

Mr. Margraves asked John Otte to give an update on annexation. Mr. Otte stated that PPOA has paid on the original plan. There has been no change or decision on annexation. Mr. Otte also stated that the West End is running out of area for MUD Plants. Many new subdivisions are requesting service.

Discussion was held concerning taking action to prevent annexation. This would be a joint effort between PPOA and the MUD. Sidney McClendon and Ross Margraves will meet with the MUD to discuss a strategy to stop annexation.

Motion made by Jim Huddleston and seconded by Gary Greene, the following resolution was unanimously adopted. **Resolved that**, the Board approved hiring an attorney at a cost to be approved by the PPOA President to prevent annexation.

Pirates Beach & Bay Foundation ("PBBF")/Galveston Island State Park by Jeri Kinnear:

In Jeri Kinnear's absence, Sidney McClendon reported that the Kahala Development Corporation

**MINUTES OF THE BOARD OF DIRECTORS MEETING
PIRATES' PROPERTY OWNERS' ASSOCIATION, INC.**

has a 50-acre tract to be developed as swale and ridge with a levee and oak trees. The 50-acre tract is mitigation for Beach Side Village.

Electronic Communication Committee by Ron Pearrow:

The website is complete. The committee is still working on the online directory. The website will have the ability to let members communicate with each other and the Board. Newsletter articles are due next Friday.

Beautification Committee by Nichi Dunphy:

The circles at Mutiny and Bounty Court are landscaped. The committee will be looking at other areas for landscaping. Marty Baker, Nichi Dunphy, Susan Gonzales, and Rob Minter will meet about this next week.

Laffite's Cove POA ("LCPOA") & Laffite's Cove Nature Society ("LCNS") by Jim Huddleston:

LCPOA and LCNS will meet in executive session to resolve some legal issues. Marty Baker joined as a Board member. Mort Voller joined as a scientific Board member. Jim Huddleston will be resigning in March or April of this year from all three Boards. LCPOA and LCNS will be looking at preserve improvements and canal maintenance.

Membership/Social/GCC/Annual Mtg./4th of July/Easter by Suzanne Robinson:

Ms. Robinson asked if in the event of rains does the Board want to move the annual meeting to Watermans. It was decided to change the date to June 17, 2006 so that the annual dinner can be held inside.

Security by Durand Fooks:

The perpetrators of the restaurant burglary and other theft were caught on the same day. There was a car accident at the traffic light at 12 Mile Road. Mr. Fooks spoke to the State about improving the lights at 12 Mile Road. Mr. Fooks also requested that the intersection be striped.

Emergency Planning Committee/Hike & Bike Trails by Terry Ann McNearney:

The bike trail proposal has been through the City with some resistance. The next step is to meet with TxDOT. The right-of-way still needs to be obtained. An answer should be received by next week.

Architectural Review Committee ("ARC") by Peter Doyle:

The ARC approved four requests including a deck extension, a garage, and one home.

Motion made by Peter Doyle and seconded by Gary Greene, the following resolution was unanimously adopted. **Resolved that**, the Board approved filing a lawsuit regarding the raised deck on the boat dock at 3408 Petite and on the hog wire fence at 13819 San Domingo Drive.

Discussion was held on homes moved into the neighborhood and reconstructed. These homes are not completed in a timely manner. Gary Greene and Sidney McClendon suggested granting 90-day extensions and requiring an additional \$2,000 deposit per house.

**MINUTES OF THE BOARD OF DIRECTORS MEETING
PIRATES' PROPERTY OWNERS' ASSOCIATION, INC.**

Deed Restrictions by Peter Doyle:

The most common violations are boat trailers, lighting as a nuisance, and miscellaneous repairs.

Pirates' Beach owns the common areas behind homes.

Motion made by Ross Margraves and seconded by Sidney McClendon, the following resolution was unanimously adopted. **Resolved that**, the Board approved mowing the common areas and obtaining consent from property owners to obtain access to the common areas.

The Beautification Committee will oversee the mowing of the common areas. A proposal for the mowing will be requested from Minter Services.

It was noted that ESI is not putting trashcan lids back on the cans. Discussion was held concerning trash pickup.

Bay Committee by Sidney McClendon:

Susan Gonzales contacted BFI and Best West about interest in doing Pirates' Beach trash pick up.

Mr. McClendon stated that PPOA has Blackard's permit termination request. Response must be made by January 17, 2006. Mr. McClendon and LCNS will discuss this issue on Site "A, B, C & D." Kahala Development has made an application for a 50-acre tract spoil site "D." The Corps of Engineers is to separate Site D from "A, B, C & D." Shiner Mosley is to do a reconnaissance study to locate sand and then talk to regulatory agencies. Regarding the proposed FEMA Hazard Mitigation Fund/Sand Nourishment Project, FEMA gives a grant and sets aside 5% that is up for grabs. The amount is \$100,000,000. FEMA may ask that dunes be reconstructed for beautification. The local match for the grant is 25%.

Motion made by Sidney McClendon and seconded by Gary Greene, the following resolution was unanimously adopted. **Resolved that**, the Board authorized Marty Baker to approve pursuing the FEMA Hazard Mitigation Fund.

There being no further business to come before the Board, the meeting was adjourned at 11:00 a.m.

Date

Secretary