

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 March 11, 2006. The meeting was held at the Galveston Country Club. Marty Baker, President called the meeting to order at 9:00 a.m. Directors Durand Fooks, Gary Greene, Jim Huddleston, Terry Ann McNearney, Peter Doyle, Ron Pearrow, Ross Margraves, Jeri Kinnear, Sidney McClendon, Nichi Dunphy, Jerry Mohn and Dick Kurager established a quorum. Susan Gonzales with C.K.M. Property Management, Inc. ("CKM") was also present.

Motion was made by Peter Doyle and seconded by Jeri Kinnear; the following resolution was unanimously adopted. Resolved that, the Board approved the Minutes of February 11, 2006, as presented.

Review of Financials by Gary Greene:

Gary Greene presented the financial statement. Motion was made by Gary Greene and seconded by Sidney McClendon; the following resolution was unanimously adopted. Resolved that, the Board approved the financial report. A date for the financial committee will be set to discuss the equalization of the assessments.

Trust for Public Land

Meg Naumann and Linda Shead, Program Director of the Trust for Public Land spoke to the Board. The TFPL is a national non-profit organization conserving land for people. They have been working for three years to identify land for preservation. A 300-acre property at McAllis Point just west of Indian Beach and Silverleaf has been identified for preservation. It not purchased by April 5, 2006, the land will be sold for development. The TFPL is requesting help to purchase this property. They have identified over \$1 million in funds but will need a total of \$5 million.

Motion by Jerry Mohn and seconded by Sidney McClendon, the following resolution was adopted by unanimous vote. RESOLVED THAT, the Board approved a donation of \$2500 to the Trust for Public Land.

Motion by Sidney McClendon and seconded by Jerry Mohn, the following resolution was adopted by unanimous vote. RESOLVED THAT, the Board approved to ask Jerry Patterson to support the purchase of the property near Indian Beach by the Trust for Public Land called McAllis Point.

Beautification Committee:

Nichi Dunphy stated that Minter Services has been trimming the trees and is cleaning up the landscaped areas.

MUD 29 has been cleaning out ditches in Pirates Beach West and Laffites Cove in areas of flooding or where water holds. The County is working on drainage issues in Pirates Beach.

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Annexation

Sidney McClendon spoke against annexation. Sidney stated that from the Associations perspective; it will cost property owners more money in property taxes. Security will become an issue as we have two or more officers on continuous patrol 24-7. If annexed only two patrol officers are assigned to the west end of the island by the City of Galveston.

MUD 1 has been upgrading and expanding the water and sewer needs of the development. The sewer plant will need to be replaced within the next ten years, if not annexed MUD is solvent and financially able to replace the plant, if annexed we will be in line with other projects by the City. The Geo-tube project has been supported by the County, the City will be less likely to support our project of beach erosion.

From the City's perspective we are within their jurisdiction, they have allowed our area to develop, once developed the City looks to take over the area. There are enormous demands for City services that the City of Galveston cannot meet because of the 5% expenditure-spending cap in any one year.

It was stressed that we need to let the City of Galveston know our feelings and concerns towards annexation.

Jerry Mohn stated that before MUD 29 took over we had brown water.

John Otte stated there is a \$200,000 limit on improvements, and they are limited by the City requirements. MUD 29 wants to do more to improve our system.

There was discussion concerning dumping of affluent into Eckert Bayou. The present capacity of the system is 350,000 gallons per day; they have had a request from developers to provide service. MUD 1 is out of debt and has a lot of excess reserves. If annexation occurs those reserves need to be spent, there is approximately \$1.2 million in reserves.

A proactive plan has been formulated to fight annexation. MUD has employed several attorneys and law firms.

Motion by Sidney McClendon and seconded by Nichi Dunphy, the following resolution was adopted by unanimous vote. RESOLVED THAT, the Pirates POA express its opposition to the concept of annexation and support the position of MUD 1.

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

Jim Huddleston stated that the issues with 11 Mile Road are still not resolved. The City plans to do 11 Mile Road this year. Jim is requesting areas to plant along 11 Mile Road. There will be mediation with MUD on the affluent to go into Eckert Bayou. In the Laffites Cove Preserve we have almost completed the Tallow Tree removal.

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

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The annual meeting will be held June 17, 2006. The business meeting and election will begin at 8:00 a.m. before the West Galveston Island Property Owners' Association ("WGIPOA") meeting.

An Easter egg hunt will be held Saturday, April 15, 2006, at 2:00 p.m. Jim Huddleston will help hide eggs and set up. Ms. Robinson's son-in-law will be the Easter bunny. Others are needed to help hide eggs and clean up after the hunt is finished.

Gary Greene will contact the new owners of the Stewart Mansion to request use of the mansion for the Easter egg hunt and the 4th of July celebration.

Security by Durand Fooks:

A door was forced open but nothing was missing. No other incidents.

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

The committee is still working on the bike trail from 11 Mile Road to 13 Mile Road to FM 3005. There are significant barriers such as underground cables, pipes, wetland areas, entranceways and drainage pipes. The projects planned by the City of Galveston would cause problems to the trails in that we would have to move the trail later.

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

Plans for 2 new homes, fences and pools. The noncompliance issues are being reviewed and there will be proposals for 4 to 5 legal action steps to be taken. Builder signs will be addressed and builders will be requested to remove the signs. Motion by Sidney McClendon and seconded by Peter Doyle, the following resolution was adopted by unanimous vote. RESOLVED THAT, the Board approved that builder signs will be removed after notice and the cost will be taken from the ARC deposit.

Bay Committee by Sidney McClendon:

Sidney McClendon stated that Blackard's application to the Corps of Engineers for spoil site A is before the Corps. Centex filed cumulative affects, MUD 1 application to discharge affluent into Eckert Bayou is being considered. Susan Gonzales will work with Sidney on the Enclave Permit.

Beach Committee, Finance Committee & WGIPOA by Jerry Mohn:

There is a new City ordinance about sand source. There is a special use permit for 8 Mile Road north of Stewart Road. The sand will be available for the next two years at \$20/cu.yd. It will cost \$22,000 for repairs to the fences and there are repairs to the drainpipes covering the sand sock that need to be completed.

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

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Date

Secretary