

MINUTES OF PROPERTY OWNERS ASSOCIATION OF SUNSET BAY, INC.
ANNUAL MEETING
August 13, 2011

www.sunsetbaypoa.org

Call to order and certification of proxies: The Annual Meeting of the Property Owners Association of Sunset bay, Inc. was held Saturday, August 13, 2011, at the Women's Club of Aransas County Inc., 1104 E. Concho Street, Rockport, Texas 78382. The meeting convened at 2:15 p.m., Kelly Flanagan, President, presiding, and Gary S. Sequeira, Secretary.

Roll call: Conducted by Gary Sequeira, Secretary.

Members in attendance:

Owners:	See sign in list.	
Officers:	President	Kelly Flanagan
	Vice President	Debbie Ortiz
	Vice President at Large	Dave Kasprzak
	Secretary	Gary Sequeira
	Treasurer	Joshua Staley

A quorum was established, and the meeting was called to order.

Proof of notice affidavit: The President provided the proof of notice affidavit that notice of the annual meeting of the Property Owners Association of Sunset Bay was mailed or hand-delivered to each member at the address last furnished to the Association in accordance with the requirements of the Bylaws at least twenty days prior to the annual meeting.

Reading of minutes of 2010 Annual meeting: Since the minutes of the 2010 Annual Meeting had been approved by e-mail, signed by the Secretary and posted on the website, reading of the minutes was waived.

Guest speaker: Phil Hanley was scheduled to be the guest speaker but was unable to attend due to other obligations.

Diane Straub, Realtor Re/Max Security Real Estate, and Sunset Bay property owner gave an overview of the real estate market in the area. The market is looking up. Three properties have sold this year in Sunset Bay. There are eleven active listings (not including those for sale by owner). She does not have a list or the number of foreclosures. Diane will start looking at the foreclosure list and provide Sunset Bay foreclosures to the Board of Directors; Kelly will post them on the blog. Kelly knows of four foreclosures this year, and possibly one more.

Officer reports:

President, Kelly Flanagan

- No new home applications have been received this year.
- There are several new property owners.
- There are four foreclosures.
- Improvements:
 - o The pier is complete.
 - o There is power to the pier.
 - o Lights have been installed on the pier.
 - o Benches have been installed at the end of the pier.
 - o A water line has been installed to the fish cleaning station and an extension to the common area run in case it's needed for watering landscaping.
 - o The fence along the highway easement has been repaired.
 - o The mowing costs are low this year due to the drought.
 - o The common area and along the fence line and around the entries have been mowed.
 - o A landscape maintenance contract has been established with Copano Nursery.
 - o Lighting has been installed to light the monuments at the entrances.
 - o The county repaved the roads and mowed easements along the ditches.

If you don't know the code to the security gate on the pier, contact a board member.

Requested input and feedback on what everyone would like to see done with the common area, such as parking lot, nature trail.

Treasurer, Joshua Staley

- Financial statements:
 - o Profit and loss statement for January-December 2010 shows net income of \$30,011.08 for the year. The Balance Sheet as of December 31, 2010 shows total assets of \$124,144.05; total liabilities and equity of \$124,144.05.
 - o Profit and loss statement for January-June 2011 shows net income of \$39,510.73. The Balance Sheet as of June 30, 2011 shows total assets of \$162,228.59 and total liabilities and equity \$168,226.59.
 - o 2011-2012 Proposed Budget (dated 8/13/2011) shows total expenses of \$14,161 for 2010; total expenses of \$5,241 for 1st and 2nd quarters of 2011 with total expenses of \$15,118 annualized for 2011; projected expenses for 2012 are \$12,769. The cash balance is currently \$125,558.
- Landscaping and mowing are one of the biggest expenses.

- The association is incurring a lot of legal fees in connection with delinquent maintenance fees. One of the property owners who is an attorney will assist in the process of filing liens and following up on delinquencies.
- There have been some foreclosures; if we haven't filed a lien on these properties, we probably won't be able to collect. We have incurred bad debt of \$813 and are plan to write this off to clear the books.
- In 2010 and the first half of 2011 there were expenses incurred in connection with the pier and repairing and painting the monuments at the entrances.

A property owner asked if liens had been filed on the delinquencies. The association will be filing liens from this time forward. The Board now has procedures in place to file liens on delinquent properties and due dates will be enforced. There was confusion over the process the first couple of years; this has been cleared up.

A property owner suggested a program where a property owner would pay dues ahead for a number of specified years and get a discount. The Vice President and Treasurer indicated that this would be difficult to do due to unforeseen circumstances and tracking.

There are still delinquent payments for 2010 and 2011. Final notices are about to go out. Liens will be filed on these if not paid.

A property owner suggested landscaping around the pond.

A property owner suggested getting Phil Hanley to specify what can and can't be done in the common area/wetlands. Kelly will discuss this Phil Hanley.

The Treasurer would like a model of a layout for the common area to be able to budget for the development of the common area.

A property owner indicated that the real estate signs need to be cleaned up and be in better condition.

R. Malvaiz, the Architectural Committee, reported that there were no new home applications this year; however, a couple of property owners will be submitting applications soon to start homes.

The Board made a request for more members on the Architectural Committee. Stan Towner will assist R. Malvaiz on the Committee.

The President reminded the property owners that the new home application is on the website.

A motion was made to approve the 2012 budget as presented and this motion carried. The maintenance fee will remain the same.

The Vice President reminded the property owners that the website is all encompassing with a wide range of information, such as how to reach the Board members.

Secretary

The minutes of the 2010 Annual Meeting were approved via e-mail and are in the book and on the website. The minutes of today's Annual Meeting will be approved and posted on the website.

New Business:

There was a discussion of self-management vs. using a management company. The association will continue to be self-managed.

Members' comments and questions:

A property owner asked about splitting up his land and selling to his son. The bylaws do not allow subdividing.

A property owner suggested waiting until more homes were built to develop the common area so that it wouldn't be used by non-property owners.

If anyone sees a motor vehicle past the levee in the common area, please tell them not to go past the levee.....this is wetlands.

The question of ID cards for using the pier was delayed to another meeting.

Mowing lots – the association is not enforcing mowing of lots but will when more property owners build homes.

The President discussed that pre-paying for mowing which might be considered in the future would be voluntary.

Nomination/election of officers:

The Board has discussed adding an Assistant Treasurer position to the Board to assist the Treasurer in his duties. Adding the position was approved, but there were no nominations for the position.

The following Board changes were approved:

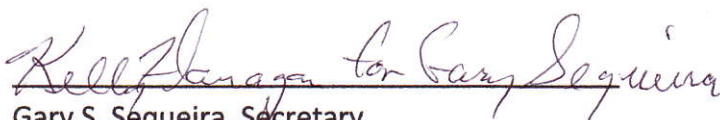
- Kelly Flanagan resigned as President.
- Debbie Ortiz was approved to fill the position of President.
- Timothy Raub was approved to fill the Vice President position that Debbie Ortiz vacated.
- Dave Kasprzak resigned as Vice President at Large.
- Kelly Flanagan was approved as Vice President at Large.
- Gary Sequeira was unanimously re-elected Secretary.
- Joshua Staley was unanimously re-elected Treasurer.

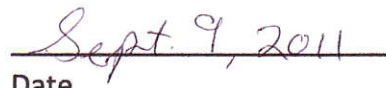
Debbie Ortiz presented Kelly Flanagan with an engraved pen in appreciation of his hard work.

Debbie made some closing comments and thanked everyone for attending. She requested that everyone turn in their forms listing their areas of expertise in which they could help the Association.

Adjournment:

The meeting adjourned at 4:05.


Gary S. Sequeira, Secretary


Date